



*City of Huber
Heights, Ohio
Comprehensive Annual
Financial Report*

*For the Year Ended
December 31, 2011*



Dave Yost • Auditor of State

Honorable Mayor and Members of City Council
City of Huber Heights
6131 Taylorsville Road
Huber Heights, OH 45424

We have reviewed the *Independent Auditor's Report* of the City of Huber Heights, Montgomery County, prepared by Plattenburg & Associates, Inc., for the audit period January 1, 2011 through December 31, 2011. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

July 26, 2012

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City of Huber Heights, Ohio

Comprehensive Annual Financial Report

For the year ended December 31, 2011

Issued by:
Department of Finance
Division of Accounting

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INTRODUCTORY SECTION





City of Huber Heights

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June 30, 2012

Honorable Mayor Ronald A. Fisher
Honorable Members of the City Council
Residents of the City of Huber Heights

We are pleased to present our 2011 Comprehensive Annual Financial Report (CAFR) for the City of Huber Heights for your review. This report, for the year ended December 31, 2011, has been prepared using generally accepted accounting principles for governments, and contains the financial statements and other financial and statistical data that provide complete and full disclosure of all material financial aspects of the City of Huber Heights ("the City"). This report represents the commitment of the City to adhere to nationally recognized standards of excellence in financial reporting. Ohio law requires that every general purpose local government prepare and publish their financial statements in accordance with generally accepted accounting principles (GAAP) and have an annual audit. This report is published to fulfill that requirement for the year ended December 31, 2011. The City is required to provide certain continuing disclosure information in conjunction with various debt offerings. Updated data are provided in the Statistical Section of this report.

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

The firm of Plattenburg & Associates, Incorporated, has issued an unqualified ("clean") opinion on the City's financial statements for the year ended December 31, 2011. The Independent Accountants' Report is located at the front of the financial section of this report.

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

PROFILE OF THE CITY

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

In 1981, Wayne Township incorporated; and in 1983 the citizens of Huber Heights adopted a City Charter, which took effect on January 1, 1984, providing for a Council/Manager form of government.

The legislative powers of the City are vested in a nine-member Council. Two Council members are elected at large, while six Council members are elected by ward. The Mayor is elected separately. The Council members appoint the City Manager who is the Chief Executive and Administrative Officer of the City. The City Manager appoints all Department/Division Heads and employees, except the City Attorney and the Clerk of Council, who are appointed by City Council.

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

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

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

The City normally adopts an annual budget before December 31st for the upcoming year. This annual budget serves as the foundation for the City's financial planning and control. The budget is adopted at the object level for all funds of the City. Any modifications to appropriations at or above this level require approval of City Council.

Local Economy

Situated along an extensive network of interstate and state highways, including Interstates 70 and 75, as well as U.S. Route 40 and State Routes 4, 201, 202 and 235, the City continued to experience growth and development during 2011. Historically, the City's population growth erupted in the late 1950's when Charles Huber recognized the enormous potential for residential development in the area and began building what is now the largest community of brick homes in the United States. With an estimated population of 38,101 in 2011, Huber Heights placed third among all cities within Montgomery County, with nearly 15,000 housing units. The City is the 29th largest city in the State of Ohio, and is situated primarily in Montgomery County. The City's boundaries expand into Miami and Greene Counties, as well.

The City, located 10 minutes from downtown Dayton, Wright Patterson Air Force Base and Dayton International Airport, is primarily residential, providing housing for those who work in the surrounding metropolitan area. Huber Heights City government continued to take active steps toward diversifying its tax base, with strong residential growth generating greater commercial and industrial development. At the end of 2010, there were over 1,270 acres of industrially-zoned and 2,840 acres of commercially zoned land in the City, of which approximately 1,177 acres are available for development. In 2008, the citizens voted to reduce the City's income tax rate by 0.25% to 2.00%, effective January 1, 2009.

Based upon a 2009 survey of Huber Heights residents, it is estimated that the United States government and affiliated contractors at nearby Wright Patterson Air Force Base (WPAFB) employ approximately 14 percent of the residents. An additional 6.2% of the residents have retired from WPAFB. Despite the continuing trend toward military downsizing and base closures, WPAFB has gained operations through realignment from other bases around the country in the past several years. It is estimated that, as a result of the U.S. House Armed Services Committee Base Realignment and Closure (BRAC) proceedings, approximately 3,000 new government and contractor jobs will come to the Base by 2011. The strategic location of the City of Huber Heights within the area, combined with our proximity to WPAFB, 5 to 10 minutes' access to primary Base gates, evidences anticipated growth from BRAC.

Economic development in the City has been a top priority of City Council and City Staff. Since 1994, commercial, industrial, and residential developments, such as the Northpark Center, Center Point 70 Commerce Park, and The Oaks, Callamere Farms, and Carriage Trails, have created many diverse jobs, including fuel cell research, logistics, light industrial, high-tech and laser applications. The expansion of Interstate 70 to six lanes through the City, and the accompanying upgrades of the three major interchanges in the City, is expected to engender economic growth.

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

Industrial

4-Over, Inc.
A B F Freight Systems
AIDA-Dayton Technologies Corp
Apache Technologies, Inc.
Bowser Morner
Catlow Industries
Coca Cola Enterprises, Inc.
Crowne Equipment
Enginetics Aerospace
Fukuvi USA, Inc.
Hooven-Dayton Corporation
LaserMike, Inc.
Metokote Corporation
Millat Industries
Trimble Dayton

Commercial

Aldi
Bon-Ton Elder-Beerman
Danbury Cinemas
Dick's Sporting Goods
Gander Mountain
H.H. Gregg
Kohl's Department Stores, Inc.
Kroger Limited
Lowe's Home Center Incorporated
Marshall's
Meijer's Super Store
Rave Cinemas
Staples
Target Corporation
Wal-Mart Stores Incorporated

Commercial and Industrial Development

The existing Huber Health Center, on Old Troy Pike [SR202], is currently undergoing a major expansion and renovation. The project includes the expansion of the current medical office facility by more than 22,000 square feet. The project will bring a full-service non-trauma Emergency Room to the City. The upgrade of the facility will accommodate new medical service providers to serve the community. The project represents a significant potential benefit to the City by improving the City's tax base, increasing taxable real estate values by \$16 million, and through the addition of an estimated 135 new health care-related jobs. The project will also provide convenient accessibility to needed medical services for the residents of the City and surrounding areas. Since the renovation is complete, Huber Heights will be the only city in the Miami Valley to host major satellite facilities of both the Kettering Health Network and Good Samaritan Medical.

In November 2008, the Huber Heights' voters passed a \$82 million bond issue to build seven new state-of-the-art environmentally friendly [LEED Silver-certified] school buildings. The bond issue will be matched by \$84 million from Ohio's tobacco settlement. Construction began in early 2010, on the 5 elementary schools to be built; and a new middle school and high school will be occupied in the Fall, 2013.

Troy Pike Plaza medical center began construction of a medical office/retail complex on Old Troy Pike between Chambersburg and Fishburg Roads. The complex will eventually include three office buildings totaling 43,044 square feet; and retail frontage of 14,542 square feet. The estimated cost of the project is \$3,000,000.

The City applied for EDGE funding for the expansion of Beta LaserMike in the Center Point 70 Industrial Park. Beta LaserMike has plans to expand their product and service line which will add new jobs to their operations. The grant dollars will be used for exterior improvements to the building. Montgomery County has awarded \$100,000 to this business. Renovations will begin in 2012.

63 Certificate of Zoning Compliance were issued to new businesses in the City of Huber Heights.

Several buildings that have long been vacant will see new tenants and be remodeled. ABC Supply began redevelopment of the former Furrow's site. The building had been vacant for many years and had become severally blighted and a nuisance property. ABC Supply will remodel the building with plans to open for business in early 2012. Sears Outlet began their redevelopment of space at the North Heights shopping center that has been vacant since Walmart relocated to Brandt Pike. Sears plans to open for business in March of 2012. Smythe Automotive purchased the Rolland Carpet building on Old Troy Pike near Fishburg. They will remodel the building with plans to open for business in 2012. Process Equipment Company (PECo) purchased the industrial site on ST RT 40 (former Bosma facility). The manufacturing company will bring new jobs to the City and redevelop this vacant building in 2012.

Marketing materials have been created to help with the recruitment of new businesses. Maps showing redevelopment opportunities, available properties, and incentive districts were made by the Economic Development staff. These materials will be used for site selectors and business recruiters. A subscription for demographic data was obtained to help site selectors determine population, traffic counts and buying power within a radius around the City.

Residential Development

Huber Heights' residential development market continues to outperform other areas in the region. The residential market in the City, which did not experience as severe a market correction as in other areas of the country or the region, continued to show steady progress. The City issued 101 permits in 2010, up from 50 in 2009 and 30 in 2008, evidence that Huber Heights continues to improve in spite of the current housing slump.

In 2008 the City approved the basic Development Plan submitted By DEC Land Co. I LLC for the Carriage Trails project with the City's northern quadrant. In 2011 an additional 10 acres was added to the original 625 acre project. The 635 acres includes plans for 1,440 single family homes and 800 attached residential units, as well as 35 acres for commercial use. There will be in excess of 120 acres of green space with extensive landscape buffering, three ponds, bike and natural trails providing connectivity to the new Huber Heights Aquatic & Recreation Complex next to the YMCA and Carriage Hills Metro Park just across SR201.

In 2009 the first phases in three sections were approved and 69 lots developed; in 2010 second phases were developed in all three subdivisions providing an additional 95 lots. In 2011 there were 7 acres sold for 32 senior rental villas. Also in 2011 the first phase in a fourth section added 28 lots and there are plans for the second phase in this section in 2012 that will bring in another 26 lots. In 2012 the first phase for the fifth section was completed adding 17 lots and there are also plans for the first phase in a fifth section that will have 28 lots. The Public-Private Partnership between Carriage Trails and the City of Huber Heights has allowed development to move forward and lot sales to exceed everyone's expectations; to date there are over 155 sales.

Miami County TIF district #2 continues to see new residential structures. Miller Valentine began construction of a Senior Village. Carriage Trails filed for 4 new plat sections. All DTE-24 forms necessary have been filed with the County and the State.

MAJOR INITIATIVES

For the Year

During 2011, expenditures included the repair and rebuilding of neighborhood streets, curbing improvements, and miscellaneous roadway sealing and patching throughout the City. The City was able to utilize funds from the water fund for replacement of water lines, fire hydrants and appurtenances and the reconstruction of streets, concrete work and related underground utilities, roadway earthwork and miscellaneous base and drainage work.

The U.S. Environmental Protection Agency mandated that governmental agencies with populations over 10,000 be in compliance with the Clean Water Act of 1972, including the development and implementation of a Stormwater Management Plan no later than March, 2003. During 2011, the City entered the ninth year of operation of its Stormwater Management Program. The monies generated fully supported the operating costs, as well as storm water related capital improvements.

City wide utilities conversion has been a large project that is about 85% complete. The objective of this project is to take all legacy and new infrastructure drawings and convert them to digital form and implement them into GIS. This project has been broken up into several phases to better manage the GIS budget and not put a strain on funding resources.

Integrating GIS in the 911 Dispatch Center. By integrating GIS in the 911 Dispatch Center we were able to incorporate automated vehicle location (AVL) and routing, crime analysis by geographic area and map 911 calls. Within the 911 dispatch center the dispatchers have a large overview map of the city and surrounding jurisdictions all police vehicle and fire apparatuses are equipped with GPS and their location is projected on this map and the dispatchers in the dispatch center can see where each police vehicle and medic is located.

Work had begun last fall on the new Aquatic Center Facility. Included with this project is the upgrading of the Shull Road lift station and the abandonment of the Charlesgate lift station. This facility is to be completed in time for the memorial day weekend opening 2012.

The new middle school and elementary schools were completed. The new high school is due to be finished in 2012.

Income Tax

The City's major source of operating revenue is the local income tax. During 2011, the rate was 2.00%, consisting of the following levies enacted over the past several years:

- 1.00% Permanent tax for General Fund operations
- 0.50% Permanent tax for public safety operations, police operations, and fire capital equipment
- 0.25% Permanent tax for local street operations
- 0.20% Originally effective through May 31, 2009 for local street capital improvements, this portion was made permanent in the November 2008 election, effective January 1, 2009
- 0.30% 0.25% effective through 2015 for public safety and support services; .05% effective through 2025 to fund the construction of a fire station and major fire equipment purchases
- (.25%) Effective January 1, 2009, a permanent decrease for General Fund operations

The permanent income taxes dedicated for public safety are used to pay debt on the City's two fire stations, initial financing costs related to the lease of a new fire pumper and ladder truck, general Police Division and Fire Division operations, and capital equipment purchases, including police cruisers, in-cruiser video cameras, and mobile data terminals. The permanent income taxes dedicated for street operations pay for general street operations including: personnel, contracts and supplies, snow removal and street cleaning, traffic signal maintenance, the purchase of various equipment, and debt retirement on bonds issued in prior years for major street reconstruction.

The City established the Income Tax Collection Division in October 2001, a function which had been performed by independent contract with a neighboring political subdivision. Since creating the tax function internally, the City has tailored specific compliance programs more aggressively to target the collection of delinquent accounts, generating nearly \$1,900,000 in taxes not previously collected. In late 2008, in an effort to reduce processing costs and enhance filing features available to taxpayers, the City outsourced primary return filing and processing functions. The City contracted with the Regional Income Tax Agency (RITA) to perform these processing functions. The City retained a smaller Income Tax Division Staff, focused on compliance and collection of City tax revenues. In early 2010, City Council terminated its contract with RITA and reestablished primary return filing and processing functions within the City Income Tax Department. This move will enable the City to better manage the tax compliance and collection process and provide enhanced service to all taxpayers.

The Tax Division experienced challenges and transitions in 2011. It was our first full year back collecting income tax revenue after terminating our contract with the Regional Income Tax Agency. The office completed this transition with a primarily new staff under the direction of a new tax administrator. The conversion of the data took longer than expected and we were very appreciative of the patience and cooperation of the residents during the year.

Our focus for 2012 is to step up our efforts for compliance as we make use of the advanced technologies available to us to accomplish this task. We are committed to providing a high level of customer service to all our residents and continually seek to improve the interaction that is experienced by all who come in contact with us, whether in person or "on-line".

Stormwater Management

The U.S. Environmental Protection Agency mandated that governmental agencies with populations over 10,000 be in compliance with the Clean Water Act of 1972, including the development and implementation of a Stormwater Management Plan no later than March 2003. During 2011, the City entered the ninth year of operation of its Stormwater Management Program. The monies generated fully supported the operating costs, as well as storm water related capital improvements.

Capital Improvements

In 2011, the City completed its 27th year of its annual sidewalk improvement/assessment program. Other major improvements included 2011 Stormwater Management, water tower painting, water main replacement and street resurfacing.

The Chambersburg Water Standpipe was painted in 2011 for maintenance purposes to extend the life of the tank and avoid a costly replacement. The paint on the water tower was in poor condition and had created an aesthetically displeasing site in and around the neighborhood. The City logo was also painted on this tank. This is a necessary and critical component of maintaining water storage facilities.

Brandt Pike (S.R. 201) Phase VII widening was completed. The work included widening the roadway to five lanes and extending the bridge to support the road widening. This was the last phase for the total widening of Brandt Pike from one end of the City to the other.

The water main pipes were replaced on Harshmanville and Kitridge and completed in 2011. Replacing the pipes improve the existing infrastructure for many years. Along with the water main replacement, the street was resurfaced in order to improve the condition of the streets which previously required extensive patching.

The 2011 Stormwater Management Project consisted of Kellenburger Drainage Ditch Work and Wakeview-Timberview rear yard drainage work.

The Department of Public Services,

Department/Division Major Initiatives

The mission of the City of Huber Heights, its Mayor, Council, and Staff, is to enhance the quality of life for all residents, and to become the Community of Choice in Ohio, by providing outstanding services and a good quality of life for its residential and business citizens. In 2011, the City continued that mission by expanding and improving services, upgrading infrastructure, and enhancing public grounds and facilities.

The Department of Public Safety

Fire Division

In the year 2011, the fire department reviewed all policies and procedures as well as the overall budget. As a result of the review several changes were implemented to function in a more efficient manner, financially. Call-ins for over time were adjusted saving over \$20,000.00 in the 2011 year. Printers were consolidated as well as contracts with existing vendors that were either reduced or eliminated. Line items were reviewed quarterly to ensure that the division stayed within in its fiscal means and as a result, many aging pieces of equipment were upgraded and improved with emphasis put into safety and personal protective equipment. An overall inventory was also completed to better define apparatus needs for the future thus establishing a time-line of needs for the next five years. Additionally, areas of responsibilities

were defined throughout the division for accountability, which has improved efficiency on both an operational and administrative level. As we roll into 2012, better defining specific needs within the division will be the priority. There will be a continued effort to see that all funds are used in the most proficient way without impacting the services we currently provide to the citizens of Huber Heights. We currently are operating with three less personnel as a result of cuts projected in 2013. The reduction was the result of attrition due to retirements in 2011 and 2012 and the filling of those vacancies is not anticipated to occur this year. Additionally, several programs will be cut unless the financial situation improves including public education to the schools, special events, CPR training, just to name a few. The goal will be to maintain basic emergency services with a minimal impact.

For the remainder of 2012 and beginning in 2013, the fire division will be facing some significant issues. We will continue to review all aspects of the budget in an effort to operate as efficiently as possible. It is my hope that this downturn in the budget will be temporary resulting in a minimal impact to the overall operation of the department.

Police Division

Police Communications

The Police Division completed the conversion of our CAD system going live with CMI on March 2, 2012. This project was over a year in the making and required much behind the scenes planning to assure a smooth transition. This project is saving nearly \$30K in maintenance costs yearly. These meetings and planning stages included talks with Butler Township and the City of Riverside to address any special needs or concerns to their operations.

In 2010, we began dispatching for Butler Twp. and the City of Riverside in October 2011. These contracts bring in much needed revenue with small costs to our budget.

Police Division

In the beginning of the year, some maintenance projects were completed in our building, updating paint and replacing the carpet on the 2nd floor and the men's locker room that was original to the building. We also wrote an RFP for the installation of a Security Gate protecting city Police vehicles from the public and patrons of the Court facility.

The Police Division joined the Police Law Institute providing law enforcement/legal training online greatly reducing the costs for outside training or travel for the courses offered online.

The city also went live with the OSL payroll program which the Police Division has been using for a few years. The Police Programs Technician continues to offer support and training to other departments.

Command Staff and/or other members of the Police Division attended the YMCA 6th Annual Community Breakfast, OVI Kickoff at Sinclair Community College, Business Expo and organized and participated in Holiday Hope at Target, providing a holiday shopping experience for needy families throughout our area.

Lastly, the Police Division also completed another successful reaccreditation process. This achievement of excellence continues to prove the level of commitment and beliefs in the mission of the Huber Heights Police Division staff to the highest degree of service to its citizens, surrounding communities and law enforcement profession.

Information Technology Division

The Division installed OSL and Informa on the VM Ware Server with Windows Server 2008 R2 64bit and SQL Server 2008. This enabled the IT Division to remove two obsolete servers that were no longer supported by maintenance contracts. The OSL software is used city wide by all employees for payroll entry, time keeping and scheduling. Informa software is used for document scanning of administrative and council documents for easy retrieval electronically.

A new Barracuda Backup service device was installed that will enable the IT Division to backup all servers across the city effectively eliminating the need for tape backups and user intervention. This backup service also has the ability to send the backed up data offsite to Barracuda for Disaster Recovery assurance. A new GIS server and software was also put into place that will enable all crews to access the cities locations to Fire Hydrants, Sewer and Drainage systems and parcel information. Police and Fire will be able to locate their vehicles on a map in real-time to determine who is closest to an incident which will enable those departments to be more efficient.

Lastly, one of our biggest accomplishments was the consolidation of the networking on the second floor at City Hall. IT moved all networking equipment to the utility closet which allowed for more flexibility. The Finance Department network was then rerouted to the new location which combined the entire second together on one network switch. This allowed for us to remove the network equipment in the closet in the Finance Department. The networking at City Hall now ties into three locations instead of four.

The Department of Finance

The Accounting Division received its nineteenth consecutive Certificate of Achievement for Excellence in Financial Reporting, awarded by the Government Finance Officers Association of the United States and Canada for the 2010 Comprehensive Annual Financial Report (CAFR). In 2011, the City issued new notes in the amount of \$8,000,000 to fund the cost of construction of a new aquatic center and amphitheater.

In 2008 the Division of Taxation, in an effort to reduce processing costs and enhance filing features for taxpayers, the City contracted with the Regional Income Tax Agency (RITA) to provide income tax collection and processing services. However, in order to continue to provide a high level of customer service, the City had maintained its local Tax Office with a significantly reduced staff. In early 2010, City Council terminated its contract with RITA and effective October 1, 2010 reestablished primary return filing and processing functions within the Income Tax Department. As part of the City's commitment to provide excellent customer service and a full service tax office to its citizens, an additional five employees were hired to accommodate the additional processing requirements. Additionally, the City upgraded its tax processing software and hardware to keep its commitment to offer citizens the best available tax processing technology. This move will enable the City to better manage the tax compliance and collection process and provide enhanced service to all taxpayers.

The Department of Community Services

In 2011, the City of Huber Heights held fireworks for the second year in a row after a six-year hiatus. In conjunction with the Police and Fire Divisions, the Community Services Division and Parks and Recreation Board brought several food vendors to the event. The Wayne Township-Huber Heights Historical Society also participated with a classic car show. The event is planned again for 2012.

The Community Services Division also held several other events in the parks including an Open House at Cloud Park in June, a “Touch a Truck” event in July and a Household Hazardous Waste Day (in conjunction with the Montgomery County Solid Waste District) in August. The City was also a sponsor of the Freedom’s Call Tattoo at Wright Patterson Air Force Base for the sixth year in a row.

The Department of Human Resources

The Human Resources Department hired a new manager in 2011 to lead the department and will continue working to enhance employee relations and development and will continue to work in conjunction with the Department and Division Heads to reduce the number and severity of Workers’ Compensation claims for 2012 in order to continue to receive savings on our premium cost.

The Department of Public Service

Division of Engineering

The Division of Engineering completed numerous infrastructure projects during 2011, including the \$1.2 million annual street improvement project, and the \$150,000 annual sidewalk repair program. The Engineering Department collected electronic data for a significant portion of the water system within the City, inspected sanitary sewers and manholes for I&I study, and inspected and accepted private subdivisions as public infrastructure.

For the Future

The Engineering Division must prepare goals to implement and accomplish.

Major capital improvements will include the following:

- Design elevated water storage tower
- Bellefontaine/Chambersburg Intersection Road Improvements
- Continue the annual Street and Sidewalk programs
- Numerous storm water improvements throughout the City to be funded from storm water utility revenues.
- Adams Road Water Main Extension
- Water main looping at Heathermere
- Fire Hydrant Replacement
- Chambersburg Road widening – East of Brandt Pike
- Old Troy Pike Phase 8 Widening – North of Shull Road
- Kellenburger Road Culvert Replacement

Division of Public Works

After thirty-two years of service to the city of Huber Heights Public Works Manager retired, thus causing some organizational changes within the Public Works Division; the Public Works Supervisor was promoted to the Public Works Manager position, creating a void in the position of Public Works Supervisor which was filled from within the division. The vacancy of Street Technician was then filled from outside resources after an extensive interview process. Financially these changes in personnel came with a significant cost savings for the city.

The division maintained and serviced all city properties, vehicles, roads, storm sewers, traffic signs & lights, parks and buildings. Successfully settled and responded to a total of 391 requests for service. Additionally a total of an estimated 1889.75 tons of salt were utilized at a cost of \$156,132 for snow removal.

Thomas Cloud Park experienced a total of three separate arson incidents, resulting in the burning down and significant asset loss of the concession stand, at an estimated replacement cost of \$175,000 - \$200,000.

The only significant purchase or upgrade of equipment was the procurement of a new street sweeper.

The Department of Planning and Zoning

One new section of the single family residential portion of the Carriage Trails development was approved by the Planning Commission consisting of 28 residential lots. A section of Senior Living rental buildings at Carriage Trails was approved for a total of 34 units. The developer for this housing development reported that lots were selling quickly and over 100 houses have been built by the end of 2011.

The process of updating and modifying the City's Comprehensive Plan began in September of 2010 and the Plan was approved by the Planning Commission and adopted by City Council on November 28, 2011.

The Zoning department issued 74 permits for Single Family Dwellings, 11 permits for Condominiums (46 units), 5 Commercial permits for new construction. In addition to those permits issued, 398 Zoning permits were issued for signage, accessory structures and other modifications to residential properties. 417 Presale certificates were issued to home owners selling their residence. 2,843 Zoning violations were handled during 2011. 63 Certificate of Zoning Compliance were issued to new businesses in the City of Huber Heights.

For the Future

With the successful negotiation of a new development agreement for the 660-acre residential development Carriage Trails, the City is poised to experience significant new residential and commercial growth in the City's northern quadrant for the next decade. Additionally, numerous commercial projects are in the planning stages. These will transform the I-70 and State Route 201/202 corridors into a thriving regional commercial center. Along with these projects, the City will continue to promote the steady growth of other residential developments, which continue to outperform other areas in the region.

The City will continue its efforts to improve the quality-of-life for its citizens by beginning construction of a first class Community Recreation Activity Center. This Center will be developed on a 14 acre site located adjacent to the current YMCA property. At an initial cost of nearly 7 million dollars the Recreation Center will include an Aquatic Park and other recreational amenities which will enhance the quality-of-life for all Huber Heights residents.

RELEVANT FINANCIAL POLICIES

The City pursues an aggressive cash management program by expediting the receipt of revenues and prudently depositing and investing available cash pursuant to its legislated investment policy. A portion of the City's deposits are collateralized by a direct pledge of collateral or by pooled collateral. By law, those financial institutions that do not directly collateralize deposits must establish a collateral pool to cover all public deposits. The market value of the pooled collateral must equal at least 105 percent of the public funds on deposit. Trustees, including the Federal Reserve, the Federal Home Loan Bank, and designated third party trustees, hold the collateral of the financial institutions. The City regularly reviews the market value of the pool to ensure that adequate collateral is being provided. No portion of the City's funds was invested in derivatives.

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

AWARDS AND ACKNOWLEDGMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Huber Heights, Ohio, for its comprehensive annual financial report (CAFR) for the year ended December 31, 2010. This was the seventeenth 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 our eligibility for another certificate.

Preparation of this report is a major and time-consuming task that cannot be accomplished without the professional, efficient and dedicated services of those individuals who assist and contribute to its production. All members of the City's Finance Department Staff, and many of the City's other employees, contributed to this effort. We wish to thank City Council, Department and Division Heads, and all employees who supported this effort to achieve excellence in financial reporting.

Our sincere gratitude goes to members of the Department of Finance Accounting Division Staff including: Michelle Diamond, Debi Jones, Lu Ann Miller, and Crystal Whitley, who contributed to the compilation of this report. We extend our special thanks to Plattenburg & Associates, Incorporated and Deputy Finance Director James Bell, who above all others played critical roles in producing this report.



Donnie R. Jones
Finance Director



Gary D. Adams
City Manager

CITY OF HUBER HEIGHTS, OHIO
LIST OF PRINCIPAL OFFICIALS
2011 ELECTED CITY OFFICIALS

COUNCIL MEMBERS

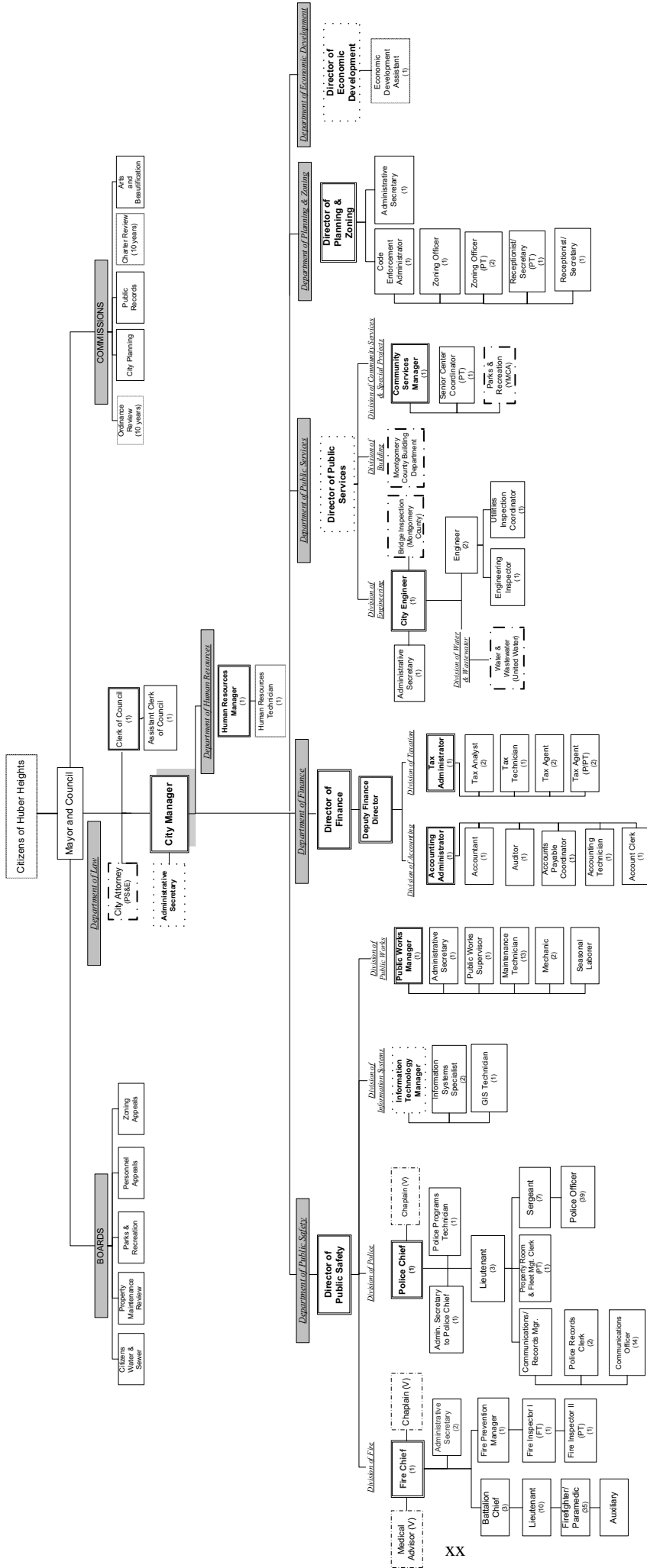
Mayor	Ron Fisher	
Vice Mayor	Karen Kaleps	Ward 2
	Judy Blankenship	Ward 4
	Mark Campbell	At Large
	James Ellis	Ward 1
	Roger Hensley	Ward 5
	Tyler Starline	Ward 3
	Jan Vargo	At Large
	David Wilson	Ward 6

2011 APPOINTED CITY OFFICIALS

City Manager	James M. Borland
Director of Finance	Donnie R. Jones, CPA



City of Huber Heights Organizational Chart



City of Huber Heights
2016-2017

Authorized Staffing Levels

City Council (FT)	2	City Council (FT)	6
City Manager (FT)	2	Division of Taxation (FT)	2
Finance Director (FT)	2	Division of Public Works (Seasonal)	2
Police Chief (FT)	1	Director of Public Services (FT)	1
Police Division (FT)	73	Division of Human Resources (FT)	2
Police Division (PT)	1	Division of Community Services (FT)	1
Police Division (PPT)	2	Division of Accounting (FT)	6
Police Division (V)	1	Division of Public Safety (FT)	20
Police Division (V)	1	Division of Public Safety (PT)	54
Police Division (V)	1	Division of Public Safety (PPT)	7
Police Division (V)	1	Division of Public Safety (V)	2
Police Division (V)	1	Division of Public Safety (V)	2
Police Division (V)	1	Division of Public Safety (V)	2

- All employees are permanent / full time unless specified otherwise.
 - (PT) = Part Time, (H) = Hourly Seasonal, (T) = Temporary, (V) = Volunteer
 Contractor Relationship
 Vacant Position

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Huber Heights
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2010

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



Linda C. Davison

President

Jeffrey R. Emer

Executive Director

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FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members of City Council
City of Huber Heights, Ohio

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Huber Heights (the City) as of and for the year ended December 31, 2011, which collectively comprise the City's basic financial statements. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of December 31, 2011, and the respective changes in financial position, and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 19 to the financial statements, during the year ended December 31, 2011, the City implemented Governmental Accounting Standards Board ("GASB") Statement No. 54, "*Fund Balance Reporting and Governmental Fund Type Definitions*".

In accordance with *Government Auditing Standards*, we have also issued our report dated May 30, 2012, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion & analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements and schedules and statistical section, are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Plattenburg & Associates, Inc.

Plattenburg & Associates, Inc.

May 30, 2012

City of Huber Heights, Ohio
Management's Discussion and Analysis
For The Year Ended December 31, 2011
(Unaudited)

The City of Huber Heights's discussion and analysis of the annual financial reports provides a review of the financial performance for the fiscal year ending December 31, 2011. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers should also review the transmittal letter, notes to the basic financial statements and financial statements to enhance their understanding of the City's performance.

Financial Highlights

- The City's total net assets decreased \$3,236,208.
- Net assets of governmental activities decreased \$5,580,962, net assets of business-type activities increased by \$2,344,754.
- The General Fund reported a net change in fund balance of (\$733,693).
- Business-type operations reflected operating income of \$2,257,316.

Overview of the Financial Statements

This annual report consists of a series of financial statements. These statements are presented so that the reader can understand the City'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.

Government-wide Financial Statements

The analysis of the City as a whole begins with the Government-wide Financial Statements. These reports 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.

City of Huber Heights, Ohio
Management's Discussion and Analysis
For The Year Ended December 31, 2011
(Unaudited)

These two statements report the City's net assets and changes to those assets. This change informs 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 Government-wide Financial Statements, 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 development, transportation, and general administration. Income taxes, property taxes, intergovernmental revenue, charges for services, and interest finance most of these activities.
- **Business-Type Activities** - These services include sewer, water, stormwater management. Service fees for these sewer and water are charged based upon the amount of usage; and a service fees for the stormwater utility are assessed by property (parcel) based upon impervious area. The intent is that these activities be financially self-sufficient.

Fund Financial Statements

Information about the City's major funds is presented in the Fund Financial Statements (see table of contents). 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 City, with 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's major funds are General, Police, Fire, Special Assessment Bond Retirement, Capital Improvement, Water, Sewer, and Stormwater.

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.

Proprietary 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.

City of Huber Heights, Ohio
Management's Discussion and Analysis
For The Year Ended December 31, 2011
(Unaudited)

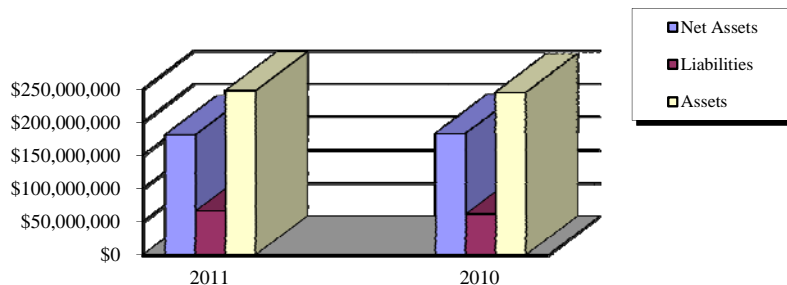
Fiduciary Funds - The City is the fiscal agent for one private purpose trust and seven agency funds. All of the City's fiduciary activities are reported in separate Statements of Fiduciary Net Assets and Statement of Changes in Assets and Liabilities. We exclude these activities from the City's other financial statements because the City cannot use these assets to finance its operations. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

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 2011 compared to 2010.

Table 1
Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Assets:						
Current and Other Assets	\$54,975,117	\$56,645,117	\$36,830,201	\$37,450,565	\$91,805,318	\$94,095,682
Capital Assets	98,146,458	95,092,768	57,288,817	55,419,175	155,435,275	150,511,943
Total Assets	153,121,575	151,737,885	94,119,018	92,869,740	247,240,593	244,607,625
Liabilities:						
Long-Term Liabilities	29,125,577	31,026,612	21,989,889	23,014,140	51,115,466	54,040,752
Other Liabilities	14,270,260	6,720,288	797,315	868,540	15,067,575	7,588,828
Total Liabilities	43,395,837	37,746,900	22,787,204	23,882,680	66,183,041	61,629,580
Net Assets:						
Invested in Capital Assets, Net of Related Debt	66,173,495	68,594,710	41,805,192	39,089,126	107,978,687	107,683,836
Restricted	27,957,350	32,836,661	1,200,000	1,200,000	29,157,350	34,036,661
Unrestricted	15,594,893	12,559,614	28,326,622	28,697,934	43,921,515	41,257,548
Total Net Assets	\$109,725,738	\$113,990,985	\$71,331,814	\$68,987,060	\$181,057,552	\$182,978,045



Over time, net assets can serve as a useful indicator of a government's financial position. Total net assets of the City as a whole decreased \$3,236,208.

City of Huber Heights, Ohio
Management's Discussion and Analysis
For The Year Ended December 31, 2011
(Unaudited)

Net assets of the City's governmental activities decreased \$5,580,962. Current and Other Assets decreased mainly due to an decrease in taxes receivable, which was due to a decrease in property tax delinquencies. Long-Term Liabilities decreased mainly due to the City continuing to make regularly scheduled payments on their long-term obligations.

The net assets of the City's business-type activities increased \$2,344,754 from 2010. The City had an increase in Capital assets, net due to new construction. The City also saw a decrease in the amount of long-term liabilities for 2011 due to the City continuing to make regularly scheduled payments on their long-term obligations.

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City of Huber Heights, Ohio
Management's Discussion and Analysis
For The Year Ended December 31, 2011
(Unaudited)

Table 2 shows the changes in net assets for the year ended December 31, 2011.

Table 2
Changes in Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Program Revenues:						
Charges for Services	\$2,491,315	\$2,663,513	\$8,867,295	\$9,167,516	\$11,358,610	\$11,831,029
Operating Grants and Contributions	2,731,871	2,180,126	0	0	2,731,871	2,180,126
Capital Grants and Contributions	1,134,284	1,631,697	480,183	505,918	1,614,467	2,137,615
Total Program Revenues	6,357,470	6,475,336	9,347,478	9,673,434	15,704,948	16,148,770
General Revenues:						
Income Taxes	10,574,643	12,569,325	0	0	10,574,643	12,569,325
Property Taxes	3,426,387	3,260,154	0	0	3,426,387	3,260,154
City Permissive Tax Levied for Transportation	386,981	174,184	0	0	386,981	174,184
Grants and Entitlements	1,900,356	1,621,312	0	0	1,900,356	1,621,312
Investment Earnings	163,750	254,864	91,506	120,324	255,256	375,188
Other Revenues	2,214,737	1,405,611	29,335	2,144,766	2,244,072	3,550,377
Total General Revenues	18,666,854	19,285,450	120,841	2,265,090	18,787,695	21,550,540
Total Revenues	25,024,324	25,760,786	9,468,319	11,938,524	34,492,643	37,699,310
Program Expenses:						
General Government	3,333,985	3,422,259	0	0	3,333,985	3,422,259
Public Safety	15,041,541	14,510,674	0	0	15,041,541	14,510,674
Leisure Time Activities	965,499	703,096	0	0	965,499	703,096
Community Development	1,081,722	1,090,885	0	0	1,081,722	1,090,885
Transportation and Street Repair	7,339,714	7,355,768	0	0	7,339,714	7,355,768
Interest and Fiscal Charges	1,200,328	1,229,166	0	0	1,200,328	1,229,166
Sewer	0	0	2,872,239	3,123,435	2,872,239	3,123,435
Water	0	0	4,054,058	3,968,055	4,054,058	3,968,055
Stormwater	0	0	524,050	498,409	524,050	498,409
Total Program Expenses	28,962,789	28,311,848	7,450,347	7,589,899	36,413,136	35,901,747
Increase (Decrease) in Net Assets before Transfers	(3,938,465)	(2,551,062)	2,017,972	4,348,625	(1,920,493)	1,797,563
Transfers - Internal Activities	(326,782)	(1,104,562)	326,782	1,106,957	0	2,395
Change in Net Assets	(4,265,247)	(3,655,624)	2,344,754	5,455,582	(1,920,493)	1,799,958
Net Assets Beginning of Year	113,990,985	117,646,609	68,987,060	63,531,478	182,978,045	181,178,087
Net Assets End of Year	\$ 109,725,738	\$ 113,990,985	\$ 71,331,814	\$ 68,987,060	\$ 181,057,552	\$ 182,978,045

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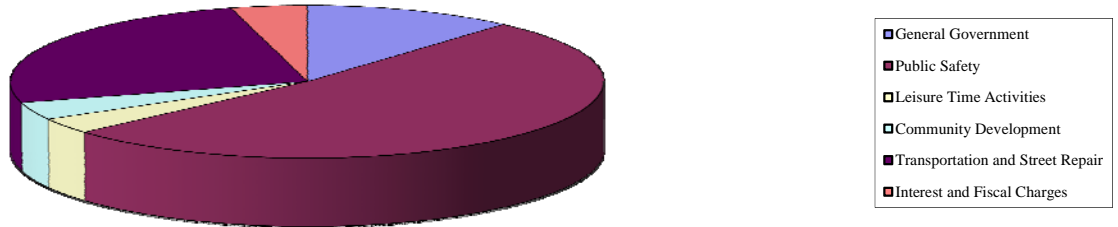
City of Huber Heights, Ohio
Management's Discussion and Analysis
For The Year Ended December 31, 2011
(Unaudited)

Governmental Activities

Huber Heights has made continued efforts to attract large-scale employers to the city for the year 2011, thereby injecting the local economy with jobs and increasing the City's commercial tax base. The 1.75% income tax is the largest source of revenue for the City. Revenues generated by the earnings tax represent approximately 57% of the City's governmental activities general revenues.

Governmental Activities
Program Expenses for 2011

	Percentage
General Government	12%
Public Safety	52%
Leisure Time Activities	3%
Community Development	4%
Transportation and Street Repair	25%
Interest and Fiscal Charges	4%
Total	100%



General Government include legislative and executive expenses. Leaf and brush pickup, storm sewer projects, aggressive street resurfacing program, amenities in the parks, and police and fire services all culminate into a full service city.

Total revenues decreased mainly due to a decrease in income taxes revenue, which was mainly due to a decrease in income tax collections in 2011 as compared to 2010. Public Safety expenditures increased mainly due to increases in personnel costs and general inflationary factors.

City of Huber Heights, Ohio
Management's Discussion and Analysis
For The Year Ended December 31, 2011
(Unaudited)

Business-Type Activities

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

Sewer Treatment – Prior to 1996, the City wastewater treatment services were contracted with the Miami Conservancy District. In 1996, the Conservancy District decided they no longer wanted to furnish this service. A joint venture was formed among the Cities of Huber Heights, Vandalia and Tipp City to take over the Conservancy District operation. This joint venture now furnishes wastewater treatment services to each city. Each city owns and maintains the infrastructure necessary to furnish services to their citizens. All capital repairs and upkeep of the treatment plant are the responsibility of the joint venture. The joint venture in turn sets costs of service for the cities, based on flow, to maintain the plant. The City of Huber Heights charges its residents accordingly. At this time, any capital outlay needed to maintain Huber Heights sewer infrastructure is provided from resident charges. The City's investment in the joint venture at December 31, 2011 was \$16,658,765.

Sewer and Water Operations – In January of 1994, the citizens of Huber Heights voted overwhelmingly to endorse the City's acquisition of the Ohio Suburban water and wastewater systems from American Water Works of Voorhees, New Jersey. On September 29, 1995, the City completed this acquisition enabling the City to more effectively attract new development to the community particularly through new annexations and service extensions while at the same time keeping water and sewer rates low. During 2001, the City began an operations study to identify the short and long range plans for the utility and to identify funding sources for the targeted projects. In late 2002, the City Council authorized increases in the rates for water and sewer, over a five year period, to fund various projects identified in the Plan. Currently, there are no plans for any rate increases, however, the City has completed a rate study and model to ensure that it can maintain operations, planned capital improvements and required debt service.

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

Business-type activities, include sewer, water, and stormwater utilities. These programs had operating revenues of \$8,896,630 and operating expenses of \$6,639,314 for fiscal year 2011. Business activities receive no support from tax revenues. The business activities net assets at the end of the year was \$71,331,814 which increased \$2,344,754 from 2010.

The City's Funds

The City has five major governmental funds: the General, Police, Fire, Special Assessment Bond Retirement and Capital Improvement Funds. Assets of the these major funds comprised \$37,402,986 (67%) of the total \$56,054,356 governmental funds assets.

City of Huber Heights, Ohio
Management's Discussion and Analysis
For The Year Ended December 31, 2011
(Unaudited)

General Fund: Fund balance at December 31, 2011 was \$6,433,526 which was a decrease in fund balance of \$733,693 from 2010. The decrease is mainly due to a decrease in income tax and property tax revenue.

Police Fund: Fund balance at December 31, 2011 was \$1,154,611 which was a decrease in fund balance of \$710,283 from 2010. The decrease is mainly due to a decrease in income tax and property tax revenue.

Fire Fund: Fund balance at December 31, 2011 was \$444,807 which was a decrease in fund balance of \$814,434 from 2010. The decrease is mainly due to a decrease in income tax and property tax revenue.

Special Assessment Bond Retirement Fund: Fund balance at December 31, 2011 was \$506,331 which was a decrease in fund balance of \$54,029 from 2010. The decrease is mainly due to an increase in principal payments in 2011 as compared to 2010.

Capital Improvements Fund: Fund balance at December 31, 2011 was (\$2,260,605) which was a decrease in fund balance of \$3,468,522 from 2010. The decrease is mainly due to an increase in capital outlay, which was mainly due to the various street improvement additions throughout the City.

General Fund Budgeting Highlights

The City's General Fund budget is formally adopted at the object level for each fund. Financial reports, which compare actual performance with the budget, are prepared quarterly and presented to the Council so the Council is able to review the financial status and measure the effectiveness of the budgetary controls.

For the General Fund, the final budgeted revenue was \$9,762,352 and the original budgeted revenue was \$9,661,293. The difference was \$101,059. Of this difference, most was due to an underestimate of tax and intergovernmental revenue.

Variations from the final budget amounts to the actual amounts are primarily due to the following reasons: The City overestimated the general government and public safety expenditures for 2011. As the City completed the year, its General Fund balance reported an actual fund balance of \$3,776,195, on a Non-GAAP Budgetary Basis.

Capital Assets and Debt Administration

Capital Assets

At year end, the City had \$155,435,275 invested in land, construction in progress, buildings and improvements, equipment, furniture, fixtures and improvements, vehicles and infrastructure. Table 3 shows 2011 balances compared to 2010:

City of Huber Heights, Ohio
Management's Discussion and Analysis
For The Year Ended December 31, 2011
(Unaudited)

Table 3
Capital Assets, Net of Depreciation

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Land	\$24,626,762	\$23,773,882	\$1,120,636	\$732,110	\$25,747,398	\$24,505,992
Construction in Progress	6,043,694	2,122,995	1,952,908	2,167,709	7,996,602	4,290,704
Buildings and Improvements	6,825,016	7,054,827	12,050,960	12,067,164	18,875,976	19,121,991
Equipment	2,166,324	1,870,835	3,030,847	3,336,249	5,197,171	5,207,084
Furniture, Fixtures and Improvements	642,672	782,000	0	0	642,672	782,000
Vehicles	2,516,422	2,834,139	41,842	22,226	2,558,264	2,856,365
Infrastructure	55,325,568	56,654,090	39,091,624	37,093,717	94,417,192	93,747,807
Total Net Capital Assets	\$98,146,458	\$95,092,768	\$57,288,817	\$55,419,175	\$155,435,275	\$150,511,943

The increase in capital assets was mainly due to the start and completion of various construction projects throughout the City.

See Note 5 to the basic financial statements for further details on the City's capital assets.

Debt

The City had \$49,254,431 in bonds, loans, capital leases, and state infrastructure.

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City of Huber Heights, Ohio
Management's Discussion and Analysis
For The Year Ended December 31, 2011
(Unaudited)

Table 4
Outstanding Debt at Year End

Description	2011	2010
GOVERNMENTAL ACTIVITIES LONG-TERM DEBT:		
Special Assessment Bonds:		
1991 \$460,000 Old Troy Pike Phase II - 6.70%	\$0	\$40,000
1995 \$1,222,000 Brandt Pike Phase IV - 5.75%	380,000	460,000
1995 \$982,000 Shull Road East and West - 5.80%	310,000	375,000
1996 \$281,000 Troy III - 5.70%	101,423	119,321
1996 \$190,000 Brandt Pike Phase V - 5.70%	68,577	80,679
1997 \$461,000 Brandt Pike Phase V - 5.45%	190,000	220,000
1998 \$665,000 Old Troy Pike Phase IV - 4.88%	310,000	345,000
1999 \$300,411 Old Troy Pike Phase V - 5.30%	151,241	167,815
1999 \$424,589 Executive Blvd Phase I - 5.30%	213,759	237,185
2000 \$750,000 Executive Blvd Phase II - 5.63%	440,000	475,000
2001 \$150,000 Huber East Water Main - 3.50%	40,421	45,421
2001 \$1,085,000 Executive Blvd Phase III - 3.50%	268,867	318,867
2001 \$685,000 Troy VI - 3.50%	169,778	199,778
2001 \$212,000 Aaron Lane - 3.50%	52,609	62,609
2001 \$45,000 Stoney Creek - 3.50%	12,550	14,550
2001 \$63,000 Lexington Place - 3.50%	15,775	18,775
2007 \$1,270,000 Brandt Pike Phase VI - 4.00%	1,100,000	1,150,000
2008 \$8,940,000 Carriage Trails Pkwy - 2.50%	7,960,000	8,295,000
2010 \$64,736 Huber East Water Main Refunding - 3.00%	63,486	64,236
2010 \$430,156 Executive Blvd Phase III - 3.00%	417,656	425,156
2010 \$271,427 Troy VI - 3.00%	263,927	268,427
2010 \$83,695 Aaron Lane - 3.00%	81,195	82,695
2010 \$19,809 Stoney Creek - 3.00%	19,309	19,609
2010 \$25,177 Lexington Place - 3.00%	24,427	24,877
General Obligation Bonds		
2001 \$1,755,000 Refunding Bonds, Series 2001B Police Facility - 2.90%	0	190,000
1991 \$555,000 Water Tank - 6.63%	0	50,000
1993 \$2,350,000 Fire Station Renovation - 5.35%	990,000	1,105,000
2010 \$820,000 Street Improvement - 5.10%	500,000	665,000
2010 \$905,000 Court Facility Bonds - 4.15%	745,000	855,000
2001 \$2,965,000 Various Purpose Series 2001A - 2.90%	0	85,000
2007 \$1,065,000 Sewer Construction - 4.00%	920,000	960,000
2008 \$2,105,000 Public Access Easement Acquisition 2.50%	1,875,000	1,955,000
Amortization of Premium	23,638	26,002
Amortization of Accounting Loss	(61,864)	(68,050)
2010 \$50,000 Carriage Trials Infrastructure - 1.50%	50,000	50,000
2010 \$305,000 Splash Pad - 1.50%	275,000	305,000
2010 \$635,000 Carriage Trials Infrastructure - 2.90%	635,000	635,000
2010 \$1,035,000 Carriage Trials Infrastructure - 2.90%	1,035,000	1,035,000
2010 \$1,878,810 Carriage Trials Infrastructure - 2.90%	1,878,810	1,878,810
2010 \$2,826,190 Carriage Trials Infrastructure - 2.90%	2,826,190	2,826,190
Capital Lease - Vehicles:		
2006 \$425,000 Sutphen Pump Engine Loan - 4.60%	126,378	185,430
2006 \$696,100 Pierce Ladder Truck Loan - 5.24%	346,461	406,342
State Infrastructure:		
2004 \$2,059,000 State Infrastructure - 0.00%	1,660,815	1,810,194
2005 \$822,895 State Infrastructure - 0.00%	791,592	822,895
Total Long-Term Liabilities	<u>\$27,272,020</u>	<u>\$29,287,813</u>

City of Huber Heights, Ohio
Management's Discussion and Analysis
For The Year Ended December 31, 2011
(Unaudited)

Table 4
Outstanding Debt at Year End (continued)

Description	2011	2010
BUSINESS TYPE:		
Revenue Bonds Payable:		
1995 Water Acquisition/Upgrade - Principal Only - 5.90%	\$3,840,894	\$4,225,517
Accretion on Capital Appreciation Bonds - Interest Only	6,498,786	6,460,989
2005 \$3,280,000 Serial Bond Water System Improvement - 3.50%	1,700,000	1,950,000
2005 \$7,840,000 Term Bond Water System Improvement - 3.50%	7,840,000	7,840,000
OWDA Loans Payable:		
1995 Sewer OWDA Loan - 3.85%	1,847,274	2,266,711
2010 Sewer Lining OWDA Loan - 3.25%	255,457	265,438
Total Long-Term Liabilities - Bonds, Loan and Note	<u>\$21,982,411</u>	<u>\$23,008,655</u>

The Various Purpose Improvement general obligation bonds will be paid with property tax revenues via transfers from the General Fund.

See Note 8 to the basic financial statements for further details on the City's long-term obligations.

Economic Factors

The City of Huber Heights is currently in a strong financial position, but it must be stated that the City is not immune to economic conditions that have negatively affected many public and private entities. The City of Huber Heights's systems of budgeting and internal controls are well regarded, and the City is well prepared to meet the challenges of the future. In addition, management has been committed to providing its residents with full disclosure of the financial position of the City.

Contacting the City's Finance Department

This financial report is designed to provide our citizens, taxpayers, customers and investors, and creditors 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 the Finance Director, City of Huber Heights, 6131 Taylorsville Road, Huber Heights, Ohio 45424.

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City of Huber Heights, Ohio
Statement of Net Assets
December 31, 2011

	Governmental Activities	Business-Type Activities	Total
Assets:			
Equity in Pooled Cash and Investments	\$29,441,365	\$17,070,235	\$46,511,600
Restricted Cash and Investments	29,933	1,891,589	1,921,522
Cash and Cash Equivalents with Fiscal Agent	0	60,000	60,000
Receivables:			
Taxes	5,209,710	0	5,209,710
Accounts	666,940	911,735	1,578,675
Interest	45,616	51,383	96,999
Intergovernmental	2,637,791	0	2,637,791
Special Assessments	16,360,894	47,718	16,408,612
Inventory	345,787	1,929	347,716
Deferred Bond Issuance Costs	237,081	136,847	373,928
Investment in Joint Venture	0	16,658,765	16,658,765
Nondepreciable Capital Assets	30,670,456	3,073,544	33,744,000
Depreciable Capital Assets, Net	67,476,002	54,215,273	121,691,275
Total Assets	153,121,575	94,119,018	247,240,593
Liabilities:			
Accounts Payable	503,163	176,043	679,206
Accrued Wages and Benefits	1,306,357	33,571	1,339,928
Retainage Payable	29,933	17,646	47,579
Accrued Interest Payable	162,952	78,112	241,064
Contracts Payable	750,063	350,802	1,100,865
Unearned Revenue	3,507,870	0	3,507,870
Due to Other Governments	9,922	141,141	151,063
Bond Anticipation Notes Payable	8,000,000	0	8,000,000
Long-Term Liabilities:			
Due Within One Year	2,630,348	1,691,164	4,321,512
Due In More Than One Year	26,495,229	20,298,725	46,793,954
Total Liabilities	43,395,837	22,787,204	66,183,041
Net Assets:			
Invested in Capital Assets, Net of Related Debt	66,173,495	41,805,192	107,978,687
Restricted for:			
Debt Service	16,096,576	0	16,096,576
Capital Projects	636,146	0	636,146
Public Safety	1,208,203	0	1,208,203
Community Development	2,296	0	2,296
Transportation and Street Repair	9,353,181	0	9,353,181
TIF Monies	648,747	0	648,747
Revenue Bonds Improvement and Replacement	0	60,000	60,000
Revenue Bonds Current Debt Service	0	1,140,000	1,140,000
Other Purposes	12,201	0	12,201
Unrestricted	15,594,893	28,326,622	43,921,515
Total Net Assets	\$109,725,738	\$71,331,814	\$181,057,552

See accompanying notes to the basic financial statements.

City of Huber Heights, Ohio
Statement of Activities
For the Fiscal Year Ended December 31, 2011

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
General Government	\$3,333,985	\$950,148	\$9,340	\$0
Public Safety	15,041,541	1,412,157	501,486	0
Leisure Time Activities	965,499	10,131	0	316,500
Community Development	1,081,722	115,292	0	0
Transportation and Street Repair	7,339,714	3,587	2,221,045	817,784
Interest and Fiscal Charges	1,200,328	0	0	0
Total Governmental Activities	28,962,789	2,491,315	2,731,871	1,134,284
Business-Type Activities:				
Sewer	2,872,239	3,842,813	0	183,929
Water	4,054,058	4,460,189	0	63,080
Stormwater	524,050	564,293	0	233,174
Total Business-Type Activities	7,450,347	8,867,295	0	480,183
Totals	\$36,413,136	\$11,358,610	\$2,731,871	\$1,614,467

General Revenues:
Income Taxes
Property Taxes Levied for:
 General Purposes
 Special Revenue Purposes
City Permissive Tax Levied for:
 Transportation
Grants and Entitlements not Restricted to Specific Programs
Revenue in Lieu of Taxes
Investment Earnings
Other Revenues

Total General Revenues

Transfers-Internal Activities

Total General Revenues and Transfers

Change in Net Assets

Net Assets Beginning of Year

Net Assets End of Year

See accompanying notes to the basic financial statements.

Net (Expense) Revenue and Changes in Net Assets		
Governmental Activities	Business-Type Activities	Total
(\$2,374,497)	\$0	(\$2,374,497)
(13,127,898)	0	(13,127,898)
(638,868)	0	(638,868)
(966,430)	0	(966,430)
(4,297,298)	0	(4,297,298)
(1,200,328)	0	(1,200,328)
(22,605,319)	0	(22,605,319)
0	1,154,503	1,154,503
0	469,211	469,211
0	273,417	273,417
0	1,897,131	1,897,131
(22,605,319)	1,897,131	(20,708,188)
10,574,643	0	10,574,643
1,204,222	0	1,204,222
2,222,165	0	2,222,165
386,981	0	386,981
1,900,356	0	1,900,356
1,315,715	0	1,315,715
163,750	91,506	255,256
899,022	29,335	928,357
18,666,854	120,841	18,787,695
(326,782)	326,782	0
18,340,072	447,623	18,787,695
(4,265,247)	2,344,754	(1,920,493)
113,990,985	68,987,060	182,978,045
<u>\$109,725,738</u>	<u>\$71,331,814</u>	<u>\$181,057,552</u>

City of Huber Heights, Ohio
Balance Sheet
Governmental Funds
December 31, 2011

	General	Police	Fire	Special Assessment Bond Retirement
Assets:				
Equity in Pooled Cash and Investments	\$4,580,472	\$1,360,910	\$1,015,911	\$506,331
Restricted Cash and Investments	0	0	0	0
Receivables:				
Taxes	1,871,357	1,696,692	916,468	0
Accounts	654,201	9,391	0	2,296
Interest	45,616	0	0	0
Intergovernmental	662,676	82,016	70,354	0
Special Assessments	99,225	0	0	15,433,788
Interfund	1,316,320	0	0	0
Inventory	37,016	45,509	40,573	0
Total Assets	9,266,883	3,194,518	2,043,306	15,942,415
Liabilities and Fund Balances:				
Liabilities:				
Accounts Payable	158,255	42,388	55,537	0
Accrued Wages and Benefits	214,631	514,219	502,971	0
Compensated Absences	0	31,502	94,028	0
Retainage Payable	0	0	0	0
Accrued Interest Payable	0	0	0	0
Contracts Payable	17,348	10,420	5,499	0
Interfund Payable	0	0	0	0
Deferred Revenue	2,440,768	1,433,811	940,464	15,436,084
Due to Other Governments	2,355	7,567	0	0
Bond Anticipation Notes Payable	0	0	0	0
Total Liabilities	2,833,357	2,039,907	1,598,499	15,436,084
Fund Balances:				
Nonspendable	37,016	45,509	40,573	0
Restricted	0	1,109,102	404,234	506,331
Assigned	456,459	0	0	0
Unassigned	5,940,051	0	0	0
Total Fund Balances	6,433,526	1,154,611	444,807	506,331
Total Liabilities and Fund Balances	\$9,266,883	3,194,518	2,043,306	\$15,942,415

See accompanying notes to the basic financial statements.

Capital Improvement	Other Governmental Funds	Total Governmental Funds
\$6,576,997	\$15,400,744	\$29,441,365
2,199	27,734	29,933
0	725,193	5,209,710
0	1,052	666,940
0	0	45,616
0	1,822,745	2,637,791
376,668	451,213	16,360,894
0	0	1,316,320
0	222,689	345,787
<u>6,955,864</u>	<u>18,651,370</u>	<u>56,054,356</u>
139,041	107,942	503,163
946	73,590	1,306,357
0	0	125,530
2,199	27,734	29,933
47,815	0	47,815
649,800	66,996	750,063
0	1,316,320	1,316,320
376,668	2,520,286	23,148,081
0	0	9,922
<u>8,000,000</u>	<u>0</u>	<u>8,000,000</u>
<u>9,216,469</u>	<u>4,112,868</u>	<u>35,237,184</u>
0	222,689	345,787
0	14,829,742	16,849,409
0	230,437	686,896
<u>(2,260,605)</u>	<u>(744,366)</u>	<u>2,935,080</u>
<u>(2,260,605)</u>	<u>14,538,502</u>	<u>20,817,172</u>
<u>\$6,955,864</u>	<u>\$18,651,370</u>	<u>\$56,054,356</u>

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City of Huber Heights, Ohio
 Reconciliation of Total Governmental Fund Balance to
 Net Assets of Governmental Activities
 December 31, 2011

Total Governmental Fund Balance		\$20,817,172
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		98,146,458
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		
Income Taxes	1,369,864	
Delinquent Property Taxes	136,203	
Interest	42,958	
Intergovernmental	1,373,647	
Special Assessments	16,360,894	
Other	<u>356,645</u>	
		19,640,211
In the statement of net assets interest payable is accrued when incurred, whereas in the governmental funds interest is reported as a liability only when it will require the use of current financial resources.		(115,137)
Some liabilities reported in the statement of net assets do not require the use of current financial resources and therefore are not reported as liabilities in governmental funds.		
Compensated Absences		(1,728,027)
Deferred bond issuance cost associated with long-term liabilities are not reported in the funds.		237,081
Long-term liabilities, are not due and payable in the current period and therefore are not reported in the funds.		<u>(27,272,020)</u>
Net Assets of Governmental Activities		<u>\$109,725,738</u>

See accompanying notes to the basic financial statements.

City of Huber Heights, Ohio
Statement of Revenues, Expenditures
and Changes in Fund Balance
Governmental Funds
For the Fiscal Year Ended December 31, 2011

	General	Police	Fire	Special Assessment Bond Retirement
Revenues:				
Taxes	\$6,073,575	\$4,457,099	\$1,304,445	\$0
Fines, Licenses and Permits	680,768	0	0	0
Charges for Services	1,423,806	0	1,644	0
Investment Earnings	111,389	0	0	0
Intergovernmental	1,588,505	115,918	127,867	0
Special Assessments	42,386	0	0	294,210
Revenue in Lieu of Taxes	0	0	0	0
Other Revenues	321,167	161,134	16,600	365,044
Total Revenues	10,241,596	4,734,151	1,450,556	659,254
Expenditures:				
Current:				
General Government	2,907,505	0	0	13,993
Public Safety	1,066,754	6,630,539	6,255,492	0
Leisure Time Activities	400,655	0	0	0
Community Development	1,097,060	0	0	0
Transportation and Street Repair	0	0	0	0
Capital Outlay	149,325	113,895	27,090	0
Debt Service:				
Principal Retirement	0	0	0	855,000
Interest and Fiscal Charges	0	0	0	573,290
Total Expenditures	5,621,299	6,744,434	6,282,582	1,442,283
Excess of Revenues Over (Under) Expenditures	4,620,297	(2,010,283)	(4,832,026)	(783,029)
Other Financing Sources (Uses):				
Proceeds from Sale of Capital Assets	0	0	0	0
Transfers In	0	1,300,000	4,017,592	729,000
Transfers (Out)	(5,353,990)	0	0	0
Total Other Financing Sources (Uses)	(5,353,990)	1,300,000	4,017,592	729,000
Net Change in Fund Balance	(733,693)	(710,283)	(814,434)	(54,029)
Fund Balance Beginning of Year, Restated	7,167,219	1,864,894	1,259,241	560,360
Fund Balance End of Year	\$6,433,526	\$1,154,611	\$444,807	\$506,331

See accompanying notes to the basic financial statements.

Capital Improvement	Other Governmental Funds	Total Governmental Funds
\$0	\$3,556,179	\$15,391,298
0	36,482	717,250
0	141,434	1,566,884
255	31,128	142,772
134,218	2,707,983	4,674,491
128,461	393,445	858,502
0	1,313,072	1,313,072
200,000	42,471	1,106,416
<u>462,934</u>	<u>8,222,194</u>	<u>25,770,685</u>
17,365	107,585	3,046,448
0	337,063	14,289,848
0	0	400,655
0	0	1,097,060
0	1,580,484	1,580,484
4,868,115	4,712,740	9,871,165
180,682	983,933	2,019,615
125,579	610,630	1,309,499
<u>5,191,741</u>	<u>8,332,435</u>	<u>33,614,774</u>
<u>(4,728,807)</u>	<u>(110,241)</u>	<u>(7,844,089)</u>
1,839	0	1,839
1,258,446	957,990	8,263,028
0	(2,666,139)	(8,020,129)
<u>1,260,285</u>	<u>(1,708,149)</u>	<u>244,738</u>
(3,468,522)	(1,818,390)	(7,599,351)
<u>1,207,917</u>	<u>16,356,892</u>	<u>28,416,523</u>
<u>(\$2,260,605)</u>	<u>\$14,538,502</u>	<u>\$20,817,172</u>

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City of Huber Heights, Ohio
 Reconciliation of the Statement of Revenues, Expenditures, and Changes
 in Fund Balance of Governmental Funds to the Statement of Activities
 For the Fiscal Year Ended December 31, 2011

Net Change in Fund Balance - Total Governmental Funds (\$7,599,351)

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

Governmental funds report capital asset additions as expenditures.
 However, in the statement of activities, the cost of those assets is
 allocated over their estimated useful lives as depreciation
 expense. This is the amount of the difference between capital
 asset additions and depreciation in the current period.

Capital assets used in governmental activities	9,655,656	
Depreciation Expense	<u>(6,564,893)</u>	
		3,090,763

Governmental funds only report the disposal of assets to the
 extent proceeds are received from the sale. In the statement
 of activities, a gain or loss is reported for each disposal. The
 amount of the proceeds must be removed and the gain or loss
 on the disposal of capital assets must be recognized. This is the
 amount of the difference between the proceeds and the gain or loss. (37,073)

Revenues in the statement of activities that do not provide
 current financial resources are not reported as revenues in
 the funds.

Income Taxes	(1,243,852)	
Delinquent Property Taxes	(150,838)	
Interest	20,978	
Intergovernmental	(42,262)	
Special Assessments	(266,668)	
Other	<u>(88,998)</u>	
		(1,771,640)

Repayment of bond principal is an expenditure in the
 governmental funds, but the repayment reduces long-term
 liabilities in the statement of net assets. 2,019,615

In the statement of activities interest expense is accrued when incurred,
 whereas in governmental funds an interest expenditure is reported
 when due. 136,701

Some expenses reported in the statement of activities do not require the
 use of current financial resources and therefore are not reported as
 expenditures in governmental funds.

Compensated Absences	(76,732)	
Amortization of Bond Issuance Cost	(23,708)	
Amortization of Bond Premium and Accounting Loss	<u>(3,822)</u>	
		<u>(104,262)</u>

Change in Net Assets of Governmental Activities (\$4,265,247)

See accompanying notes to the basic financial statements.

City of Huber Heights, Ohio
Statement of Net Assets
Proprietary Funds
December 31, 2011

	Business-Type Activities - Enterprise Funds			Total Business-Type Activities
	Sewer	Water	Stormwater	
Current Assets:				
Equity in Pooled Cash and Investments	\$7,857,568	\$7,444,330	\$1,768,337	\$17,070,235
Restricted Cash and Investments	7,428	1,883,161	1,000	1,891,589
Cash and Cash Equivalents with Fiscal Agent	0	60,000	0	60,000
Receivables:				
Accounts	404,929	446,921	59,885	911,735
Interest	21,067	25,178	5,138	51,383
Special Assessments	25,776	14,431	7,511	47,718
Inventory	0	0	1,929	1,929
Total Current Assets	8,316,768	9,874,021	1,843,800	20,034,589
Noncurrent Assets:				
Investment in Joint Venture	16,658,765	0	0	16,658,765
Deferred Bond Issuance Costs	0	136,847	0	136,847
Capital Assets:				
Nondepreciable Capital Assets	1,136,363	1,446,153	491,028	3,073,544
Depreciable Capital Assets, Net	15,937,424	28,156,208	10,121,641	54,215,273
Total Noncurrent Assets	33,732,552	29,739,208	10,612,669	74,084,429
Total Assets	42,049,320	39,613,229	12,456,469	94,119,018
Liabilities:				
Current Liabilities:				
Accounts Payable	158,201	11,317	6,525	176,043
Accrued Wages and Benefits	11,692	12,592	9,287	33,571
Compensated Absences	2,753	2,753	0	5,506
Retainage Payable	7,428	9,218	1,000	17,646
Accrued Interest Payable	39,717	38,395	0	78,112
Contracts Payable	171,558	159,687	19,557	350,802
Due to Other Governments	141,141	0	0	141,141
Long-Term Liabilities Due Within One Year	445,658	1,240,000	0	1,685,658
Total Current Liabilities	978,148	1,473,962	36,369	2,488,479
Long-Term Liabilities:				
Compensated Absences	417	1,555	0	1,972
Bonds, Notes & Loans Payable	1,657,073	18,639,680	0	20,296,753
Total Long-Term Liabilities	1,657,490	18,641,235	0	20,298,725
Total Liabilities	2,635,638	20,115,197	36,369	22,787,204
Net Assets:				
Invested in Capital Assets, Net of Related Debt	14,971,056	16,221,467	10,612,669	41,805,192
Restricted for:				
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	24,442,626	2,076,565	1,807,431	28,326,622
Total Net Assets	\$39,413,682	\$19,498,032	\$12,420,100	\$71,331,814

See accompanying notes to the basic financial statements.

City of Huber Heights, Ohio
Statement of Revenues, Expenses
and Changes in Fund Net Assets
Proprietary Funds
For the Fiscal Year Ended December 31, 2011

	Business-Type Activities - Enterprise Funds			Total Business-Type Activities
	Sewer	Water	Stormwater	
Operating Revenues:				
Charges for Services	\$3,842,813	\$4,460,189	\$564,293	\$8,867,295
Other Revenues	6,945	17,040	5,350	29,335
Total Operating Revenues	3,849,758	4,477,229	569,643	8,896,630
Operating Expenses:				
Personal Services	178,087	199,926	142,987	521,000
Operations and Maintenance	2,329,671	1,844,966	101,556	4,276,193
Depreciation	682,045	880,569	279,507	1,842,121
Total Operating Expenses	3,189,803	2,925,461	524,050	6,639,314
Operating Income	659,955	1,551,768	45,593	2,257,316
Non-Operating Revenues (Expenses):				
Investment Earnings	42,151	44,271	5,084	91,506
Interest (Expense)	(83,081)	(1,128,597)	0	(1,211,678)
Gain (Loss) in Investment in Joint Venture	400,645	0	0	400,645
Total Non-Operating Revenues (Expenses)	359,715	(1,084,326)	5,084	(719,527)
Income (Loss) Before Contributions and Transfers	1,019,670	467,442	50,677	1,537,789
Capital Grants and Contributions	271,937	477,602	347,615	1,097,154
Transfers (Out)	(151,487)	(90,366)	(48,336)	(290,189)
Change in Net Assets	1,140,120	854,678	349,956	2,344,754
Net Assets Beginning of Year	38,273,562	18,643,354	12,070,144	68,987,060
Net Assets End of Year	\$39,413,682	\$19,498,032	\$12,420,100	\$71,331,814

See accompanying notes to the basic financial statements.

City of Huber Heights, Ohio
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended December 31, 2011

	Business-Type Activities - Enterprise Funds			Total Business-Type Activities
	Sewer	Water	Stormwater	
Cash Flows from Operating Activities:				
Cash Received from Customers	\$3,845,057	\$4,474,718	\$566,707	\$8,886,482
Cash Payments to Employees	(172,463)	(207,777)	(133,700)	(513,940)
Cash Payments to Suppliers	(2,178,122)	(2,209,473)	(81,999)	(4,469,594)
Net Cash Provided (Used) by Operating Activities	1,494,472	2,057,468	351,008	3,902,948
Cash Flows from Noncapital Financing Activities:				
Payments to Other Funds	(151,487)	(90,366)	(48,336)	(290,189)
Net Cash Provided (Used) by Noncapital Financing Activities	(151,487)	(90,366)	(48,336)	(290,189)
Cash Flows from Capital and Related Financing Activities:				
Payments for Capital Acquisitions	(495,051)	(1,915,524)	(58,817)	(2,469,392)
Debt Principal Payments	(429,418)	(1,235,000)	0	(1,664,418)
Debt Interest Payments	(91,443)	(470,744)	0	(562,187)
Net Cash Provided (Used) by Capital and Related Financing Activities	(1,015,912)	(3,621,268)	(58,817)	(4,695,997)
Cash Flows from Investing Activities:				
Earnings on Investments	42,234	43,320	(54)	85,500
Net Cash Provided (Used) by Cash Flows from Investing Activities	42,234	43,320	(54)	85,500
Net Increase (Decrease) in Cash and Cash Equivalents	369,307	(1,610,846)	243,801	(997,738)
Cash and Cash Equivalents Beginning of Year	7,495,689	10,998,337	1,525,536	20,019,562
Cash and Cash Equivalents End of Year	7,864,996	9,387,491	1,769,337	\$19,021,824
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Operating Income (Loss)	659,955	1,551,768	45,593	\$2,257,316
Adjustments:				
Depreciation	682,045	880,569	279,507	1,842,121
Changes in Assets & Liabilities:				
(Increase) Decrease in Receivables	(4,701)	(2,511)	(2,936)	(10,148)
(Increase) Decrease in Inventory	0	0	3,296	3,296
(Increase) Decrease in Prepaids	5,100	10,516	0	15,616
Increase (Decrease) in Payables	142,392	(389,438)	17,611	(229,435)
Increase (Decrease) in Accrued Liabilities	9,681	6,564	7,937	24,182
Net Cash Provided (Used) by Operating Activities	\$1,494,472	\$2,057,468	\$351,008	\$3,902,948
Schedule of Noncash Capital Activities:				
During the fiscal year, these amounts were received representing noncash contributions of:				
Capital Assets	\$271,937	\$477,602	\$347,615	\$1,097,154

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, 2011

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

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

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

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.

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

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. Non-major funds are aggregated and presented in a single column.

Fund Accounting

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

Governmental Funds

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

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.

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.

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

Fire Fund – This fund is used to account for voted tax millage, City income tax and miscellaneous revenue to finance the fire 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 – To account for various capital improvement projects, including streets, sidewalks, building construction and major building improvements.

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

Proprietary Funds

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

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

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

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

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

Measurement Focus

Government-wide Financial Statements

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

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

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 reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

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

Basis of Accounting

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

Revenues - Exchange and Non-exchange Transaction

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

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

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. 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, 2011, but were levied to finance 2012 operations, have been recorded as deferred revenue. Payments in lieu of taxes, grants and entitlements received before the eligibility requirements are met have also been recorded as deferred revenue.

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

Unearned Revenue

Unearned revenue represents amounts under the accrual basis of accounting for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met because such amounts have not yet been earned.

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.

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

Equity in Pooled Cash and Investments

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 investments" on the financial statements.

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

During 2011, the City invested in the State Treasury Asset Reserve of Ohio (STAR Ohio), Bank of New York Trust Cash Reserve Fund, PNC Commercial Money Market, State of Ohio political subdivision securities, and a repurchase agreement and money market securities issued by the Municipal Bonds, Federal National Mortgage Association, Federal Farm Credit Bank, and the Federal Home Loan Bank.

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

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, 2011.

Interest income is distributed to the funds according to charter and statutory requirements. Interest revenue of \$111,389 was credited to the General Fund during 2011, \$255 to the Capital Improvements Fund and \$31,128 to Other Governmental Funds. The Enterprise Funds had \$91,506 of interest revenues.

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.

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

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 used. Similarly, 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 restricted cash and investments 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 retirements during the year. Donated capital assets are recorded at their fair market value 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, easements, and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the City's historical records of necessary improvements and replacements. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Buildings	10-50 years
Equipment	3-20 years
Furniture, Fixtures and Improvements	7-30 years
Vehicles	5-20 years
Infrastructure	10-60 years

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

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

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.

Termination benefits are accrued as a liability using the vesting method. The entire compensated absences liability is reported on the government-wide financial statements. 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 OPERS employees after 13 years of current service, while the City records a liability for all Police and Fire employees after 15 years of current service.

For governmental funds, the current portion of unpaid compensated absences is the amount that is normally expected to be paid using expendable available financial resources. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated leave are paid. The noncurrent portion of the liability is not reported. Compensated absences are reported in governmental funds only if they have matured. In enterprise funds, the entire amount of compensated absences is reported as a fund liability.

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. Long-term loans, notes, and bonds are recognized as liabilities on the governmental fund financial statements when due.

Capital Contributions

Contributions of capital in enterprise fund financial statements arise from outside contributions of capital assets; from grants or outside contributions of resources restricted to capital acquisition and construction; or from transfers of governmental activities capital assets to enterprise funds.

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The government-wide statement of net assets reports \$29,157,350 of restricted net assets of which \$1,200,000 is restricted by enabling legislation.

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

The City's Sewer and Water Enterprise Funds have restricted net assets relative to those resources necessary to comply with various covenants of bond financing agreements.

Operating Revenues and Expenses

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

Fund Balance

In accordance with Governmental Accounting Standards Board Statement No. 54, Fund Balance Reporting, the City classifies its fund balance based on the purpose for which the resources were received and the level of constraint placed on the resources. The following categories are used:

Nonspendable – resources that are not in spendable form (inventory) or have legal or contractual requirements to maintain the balance intact.

Restricted – resources that have external purpose restraints imposed on them by providers, such as creditors, grantors, or other regulators.

Committed – resources that are constrained for specific purposes that are internally imposed by the government at its highest level of decision making authority, the City Council.

Assigned – resources that are intended to be used for specific purposes as approved through the City's formal purchasing procedure by the Finance Director.

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

Unassigned – residual fund balance within the General Fund that is not restricted, committed, or assigned. In governmental funds other than the General Fund, the unassigned classification is used only to report a deficit balance resulting from incurred expenses for specific purposes exceeding amounts which had been restricted, committed or assigned for said purposes.

The City considers restricted, committed, assigned and unassigned fund balances, respectively, to be spent when expenditures are incurred for purposes for which any of the unrestricted fund balance classifications could be used.

Interfund Activity

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

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

As a general rule, the effect of interfund (internal) activity has been eliminated from the government-wide statement of activities. The interfund services provided and used are not eliminated in the process of consolidation.

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.

Note 3 - Deposits and Investments

Cash resources of several individual funds are combined to form a pool of cash and investments. Each fund type's portion of this pool is displayed on the combined balance sheet as "Equity in Pooled Cash and Investments."

State statute requires the classification of monies held by the City into three categories:

Active Monies - Those monies required to be kept in a "cash" or "near cash" status for immediate use by the City. Such monies must by law be maintained either as cash in the City treasury, in depository accounts payable or withdrawable on demand.

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

Inactive Monies – Those monies not required for use within the current two year period of designated depositories. Ohio law permits inactive monies to be deposited or invested as certificates of deposit maturing not later than the end of the current period of designated depositories, or as savings or deposit accounts, including, but not limited to passbook accounts.

Interim Monies – 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. Ohio law permits interim monies to be invested or deposited in the following securities:

- (1) Bonds, notes, or other obligations of or guaranteed by the United States, or those for which the faith of the United States is pledged for the payment of principal and interest.
- (2) Bonds, notes, debentures, or other obligations or securities issued by any federal governmental agency.
- (3) No-load money market mutual funds consisting exclusively of obligations described in (1) or (2) above and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions.
- (4) Interim deposits in the eligible institutions applying for interim monies to be evidenced by time certificates of deposit maturing not more than one year from date of deposit, or by savings or deposit accounts, including, but limited to, passbook accounts.
- (5) Bonds and other obligations of the State of Ohio.
- (6) The Ohio State Treasurer's investment pool (STAR Ohio).
- (7) Commercial paper and banker's acceptances which meet the requirements established by Ohio Revised Code, Sec. 135.142.
- (8) Under limited circumstances, corporate debt interests in either of the two highest rating classifications by at least two nationally recognized rating agencies.

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

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the City, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Deposits

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City's policy for deposits is any balance not covered by depository insurance will be collateralized by the financial institutions with pledged securities. As of December 31, 2011, \$21,859,717 of the City's bank balance of \$23,841,035 was exposed to custodial risk because it was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the City's name.

Ohio Revised Code Chapter 135, Uniform Depository Act, authorizes pledging of pooled securities in lieu of specific securities. Specifically, a designated public depository may pledge a single pool of eligible securities to secure repayment of all public monies deposited in the financial institution, provided that all times the total value of the securities so pledged is at least equal to 105% of the total amount of all public deposits secured by the pool, including the portion of such deposits covered by any federal deposit insurance.

Investments

As of December 31, 2011, the City had the following investments:

Investment Type	Fair Value	Weighted Average Maturity (Years)
Federal Home Loan Bank	\$301,188	3.82
Municipal Bonds	12,886,307	0.73
Federal Farm Credit Bank	2,037,140	0.49
Federal National Mortgage Association	5,024,867	3.86
Star Ohio	255,149	0.16
Repurchase Agreements	2,715,076	0.00
Money Market Mutual Funds	1,873,944	0.00
Total Fair Value	\$25,093,671	
Portfolio Weighted Average Maturity		1.23

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

Interest Rate Risk - In accordance with the investment policy, the City manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to five years, unless matched to a specified obligation or debt of the City.

Credit Risk – It is the City’s policy to limit its investments that are not obligations of the U.S. Government or obligations explicitly guaranteed by the U.S. Government to investments which have the highest credit quality rating issued by nationally recognized statistical rating organizations. The City’s investments in Federal Home Loan Bank, Federal Farm Credit Bank, Federal National Mortgage Association and in Money Market Mutual Funds were rated AAA by Standard and Poor’s and Fitch ratings and Aaa by Moody’s Investors Service. Investments in Star Ohio were rated AAAM by Standard and Poor’s. The Municipal Bonds were rated A1 by Moody’s. Repurchase Agreements were not rated.

Concentration of Credit Risk – The City’s investment policy allows investments in Federal Government Securities or Instrumentalities. The City has invested 1% of the City’s investments in Federal Home Loan Bank, 52% in Municipal Bonds, 8% in Federal Farm Credit Bank, 20% in Federal National Mortgage Association, 1% in Star Ohio, 7% in Money Market Mutual Funds and 11% in Repurchase Agreements.

Custodial Credit Risk is the risk that in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. All of the City’s securities are either insured and registered in the name of the City or at least registered in the name of the City.

Note 4 – Receivables

Receivables at year end, consisted primarily of municipal income taxes, property and other taxes, intergovernmental receivables arising from entitlements and shared revenues, special assessments, accrued interest on investments and accounts receivable.

No allowances for doubtful accounts have been recorded because uncollectible amounts are expected to be insignificant.

Special assessments expected to be collected in the Special Assessment Bond Retirement Fund, Capital Improvement Fund, the Sewer Fund, the Water Fund and Stormwater amount to \$99,225, \$15,433,788, \$376,668, \$25,776, \$14,431, and \$7,511 respectively. The amount recorded in the Other Governmental Funds was \$451,213. At December 31, 2011, the amount of delinquent special assessments was \$724,250.

Income Taxes

For 2011, the City levies a municipal income tax of 2.00% 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. Changes in the income tax rate require voter approval.

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

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

Property Taxes

Property taxes include amounts levied against all real estate and public utility property, and tangible personal property used in business and located in the City. Real property taxes (other than public utility) collected during 2011 were levied after October 1, 2010 on assessed values as of January 1, 2010, the lien date. Assessed values were established by the County Auditor at 35% of appraised market value. All property is required to be revalued every six years. Real property taxes are payable annually or semi-annually. If paid annually, payment is due January 31; if paid semiannually, the first payment is due February and the remainder payable in July. Under certain circumstances, state statute permits later payment dates to be established.

Tangible personal property tax revenues received in 2011 (other than public utility property) represent the collection of 2011 taxes levied against local and inter-exchange telephone companies. Tangible personal property tax on business inventory, manufacturing machinery and equipment, furniture and fixtures is no longer levied and collected. Tangible personal property taxes received from telephone companies in calendar year 2011 were levied after October 1, 2010 on values as of December 31, 2010. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, the first payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20.

The tax on telephone and telecommunications property will be eliminated by calendar year 2011. The tax is phased out by reducing the assessment rate on the property each year. House Bill No. 66 was to hold governments harmless by replacing a portion of the revenue lost by the City due to the phasing out of the tax. In calendar years 2006-2012, the City will be fully reimbursed for the lost revenue. In calendar years 2013-2017, the reimbursements will be phased out.

Public utility real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year, the lien date. Certain public utility tangible personal property is currently assessed at 100% of its true value. Public utility property taxes are payable on the same dates as real property described previously.

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

The assessed values of real and tangible personal property upon which 2011 property tax receipts were based are as follows:

Real Property	\$649,154,480
Public Utility	<u>10,408,800</u>
Total Valuation	<u><u>\$659,563,280</u></u>

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

The City receives property taxes from Montgomery, Miami and Greene Counties. The County Treasurers collect property taxes on behalf of all taxing districts in the counties, including the City of Huber Heights. The County Auditors periodically remit to the City its portion of the taxes collected. Property taxes receivable represents real, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2011, 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 2011 operations and the collection of delinquent taxes during the available period is not subject to reasonable estimation. On an accrual basis, collectible delinquent property taxes have been recorded as revenue while the remainder of the receivable is deferred.

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City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

Note 5 – Capital Assets

Capital asset activity for the year ended December 31, 2011, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
<i>Capital Assets, not being depreciated:</i>				
Land	\$23,773,882	\$852,880	\$0	\$24,626,762
Construction in Progress	2,122,995	5,665,927	1,745,228	6,043,694
<i>Capital Assets, being depreciated:</i>				
Buildings	10,400,089	7,673	0	10,407,762
Equipment	4,427,560	796,769	78,073	5,146,256
Furniture, Fixtures and Improvements	1,283,951	28,490	0	1,312,441
Vehicles	5,308,425	119,920	92,050	5,336,295
Infrastructure	189,780,135	3,929,225	4,597	193,704,763
Totals at Historical Cost	<u>\$237,097,037</u>	<u>\$11,400,884</u>	<u>\$1,919,948</u>	<u>\$246,577,973</u>
Less Accumulated Depreciation:				
Buildings and Improvements	\$3,345,262	\$237,484	\$0	\$3,582,746
Equipment	2,556,725	476,515	53,308	2,979,932
Furniture, Fixtures and Improvements	501,951	167,818	0	669,769
Vehicles	2,474,286	429,926	84,339	2,819,873
Infrastructure	133,126,045	5,253,150	0	138,379,195
Total Accumulated Depreciation	<u>\$142,004,269</u>	<u>\$6,564,893</u>	<u>\$137,647</u>	<u>\$148,431,515</u>
Governmental Activities Capital Assets, Net	<u>\$95,092,768</u>	<u>\$4,835,991</u>	<u>\$1,782,301</u>	<u>\$98,146,458</u>
	Beginning Balance	Additions	Deletions	Ending Balance
Business-Type Activities				
<i>Capital Assets, not being depreciated:</i>				
Land	\$732,110	\$388,526	\$0	\$1,120,636
Construction in Progress	2,167,709	1,881,514	2,096,315	1,952,908
<i>Capital Assets, being depreciated:</i>				
Buildings	14,726,714	347,500	0	15,074,214
Equipment	3,847,878	86,179	0	3,934,057
Vehicles	46,473	23,771	0	70,244
Infrastructure	47,814,649	3,080,588	0	50,895,237
Totals at Historical Cost	<u>\$69,335,533</u>	<u>\$5,808,078</u>	<u>\$2,096,315</u>	<u>\$73,047,296</u>
Less Accumulated Depreciation:				
Buildings and Improvements	\$2,659,550	\$363,704	\$0	\$3,023,254
Equipment	511,629	391,581	0	903,210
Vehicles	24,247	4,155	0	28,402
Infrastructure	10,720,932	1,082,681	0	11,803,613
Total Accumulated Depreciation	<u>\$13,916,358</u>	<u>\$1,842,121</u>	<u>\$0</u>	<u>\$15,758,479</u>
Business-Type Activities Capital Assets, Net	<u>\$55,419,175</u>	<u>\$3,965,957</u>	<u>\$2,096,315</u>	<u>\$57,288,817</u>

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

Depreciation expense was charged to governmental programs as follows:

General Government	\$214,470
Public Safety	678,182
Leisure Time Activities	236,421
Community Development	129,994
Transportation and Street Repair	<u>5,305,826</u>
Total Depreciation Expense	<u><u>\$6,564,893</u></u>

Note 6 - Pension Plans

Ohio Public Employees Retirement System

Ohio Public Employees Retirement System (OPERS) administers three separate pension plans, a Traditional Pension Plan (TP), a Member-Directed Plan (MD) and a Combined Plan (CO). The TP Plan is a cost-sharing multiple-employer defined benefit pension plan. The MD Plan is a defined contribution plan in which member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Under the MD Plan members accumulate retirement assets equal to the value of member and (vested) employer contributions plus any investment earnings. The CO Plan is a cost sharing, multiple-employer defined benefit pension plan. Under the CO Plan, OPERS invests employer contributions to provide a formula retirement benefit similar in nature to the TP Plan benefit. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the MD Plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the TP and CO Plans. Members of the MD Plan do not qualify for the ancillary benefits. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report. Interested parties may obtain a copy by writing to the OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling 614-222-5601 or 800-222-7377, or by visiting the OPERS website at www.opers.org.

The Ohio Revised Code provides statutory authority for member and employer contributions. Plan members and employer contributions rates were consistent across all three plans. Plan members are required to contribute 10% of their annual covered salary to fund pension obligations. The employer pension contribution rate for the City is 14% of covered payroll. The contribution rates are determined actuarially. The City's required contributions to OPERS for the years ended December 31, 2011, 2010 and 2009 were \$591,066, \$532,739, and \$503,119, respectively. The 89% has been contributed for 2011 and the full amount has been contributed for 2010 and 2009.

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

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 pension 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. That report may be obtained by writing to OP&F, 140 East Town Street, Columbus, Ohio 43215-5164, or by visiting the OP&F website at www.op-f.org.

Plan members are required to contribute 10.0% of their annual covered salary, while employers (the City) are required to contribute 19.5% for police officers and 24.0% for firefighters. The City's contributions to OP&F for the years ending December 31, 2011, 2010 and 2009 were \$814,076 (police) and \$891,687 (fire), \$762,233 (police) and \$834,967 (fire), and \$730,450 (police) and \$814,719 (fire), respectively. The 71% (police) and 72% (fire) has been contributed for 2011 and the full amount has been contributed for 2010 and 2009.

Note 7 – Post Employment Benefits

Ohio Public Employees Retirement System

Plan Description

Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: The Traditional Pension Plan – a cost sharing, multiple-employer defined benefit pension plan; the Member-Directed Plan – a defined contribution plan; and the Combined Plan – a cost sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

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

In order to qualify for post-employment health card coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45.

The Ohio Revised Code permits, but does not mandate, OPERS to provide OPEB benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

OPERS issues a stand-alone financial report. Interested parties may obtain a copy by writing OPERS, 277 East Town Street, Columbus, OH 43215-4642, or by calling 614-222-5601 or 800-222-7377, or by visiting the OPERS website at www.opers.org.

Funding Policy

The Ohio Revised Code provides the statutory authority requiring public employers to fund post retirement health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of post retirement health care benefits.

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2011, the City contributed at 14% of covered payroll. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14% of covered payroll. Active members do not make contributions to the OPEB Plan.

OPERS' Post Employment Health Care Plan was established under, and is administered in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Retirement Board determined the portion of the employer contribution rate that will be set aside for funding of post employment health care benefits. The portion of employer contributions allocated to the health care for members in the Traditional Plan was 4.0% during calendar year 2011. The portion of employer contributions allocated to health care for members in the Combined Plan was 6.05% during calendar year 2011. The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care coverage by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

Information from City's Records

The rates stated in Funding Policy, above, are the contractually required contribution rates for OPERS. The City's actual contributions for the current year, which were used to fund postemployment benefits, were \$168,868 for 2011, \$192,049 for 2010 and \$213,672 for 2009. The 89% has been contributed for 2011 and the full amount has been contributed for 2010 and 2009.

OPERS Retirement Board Implements its Health Care Preservation Plan

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

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

Ohio Police and Fire Pension Fund

Plan Description

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

OP&F provides access to post-retirement healthcare coverage for any person who receives or is eligible to receive a monthly service, disability, or survivor benefit check or is a spouse or eligible dependent child of such person. The healthcare coverage provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45.

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

OP&F issues a publicly available financial report that includes financial information and required supplementary information for the Plan. That report may be obtained by writing to OP&F, 140 East Town Street, Columbus, Ohio 43215-5164, or by visiting the OP&F website at www.op-f.org.

Funding Policy

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

OP&F maintains funds for health care in two separate accounts. One for health care benefits under IRS Code Section 115 trust and one for Medicare Part B reimbursements administered as an Internal Revenue Code 401(h) account, both of which are within the defined benefit pension plan, under the authority granted by the Ohio Revised Code to the OP&F Board of Trustees.

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and Section 401(h) account as the employer contribution for retiree healthcare benefits. For the year ended December 31, 2011, the employer contribution allocated to the health care plan was 6.75% of covered payroll. The amount of employer contributions allocated to the healthcare plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

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

Information from City's Records

The City's contributions to OP&F for the year ending December 31, 2011 were \$281,671 (police) and \$250,564 (fire); for the year ending December 31, 2010 were \$263,885 (police) and \$234,793 (fire); and for the year ending December 31, 2009 were \$252,859 (police) and \$229,140 (fire); respectively, and were allocated to the healthcare plan. The actual contributions for 2009 and 2010 were 100% and 71% (police) and 72% (fire) has been contributed for 2011.

Note 8 – Other Employee Benefits

Deferred Compensation Plans

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

Accumulated Unpaid Vacation

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

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

Accumulated Unpaid Personal Leave

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

Accumulated Unpaid Sick Leave

City employees earn sick leave at the rate of 5.0 hours per eighty hours of service. The maximum balance for all employees except firefighters is 1,285 hours. The maximum balance for firefighters is 1,900 hours. If at the end of each contract year an employee has a balance greater than their allowed maximum, the excess hours are paid in a 1:3 ratio at the employee's rate of pay at the contract year end.

Upon retirement, employees are paid for their accumulated leave according to the following schedules. For all employees except firefighters, accumulated hours between 1 and 357 is paid at a 1:4 ratio, accumulated leave from 358 to 714 is paid at a 1:3 ratio, accumulated leave from 715 to 1,071 is paid at a 1:2 ratio, and accumulated leave in excess of 1,071 is paid at a 1:1 ratio. For the firefighters, balances between 1 and 525 hours is paid at a 1:4 ratio, accumulated leave from 501 to 1,050 is paid at a 1:3 ratio, accumulated leave from 1,051 to 1,575 is paid at a 1:2 ratio, and accumulated leave in excess of 1,575 is paid at a 1:1 ratio.

In the case of death, employees (or their estates) are paid out 100% of their sick leave balances.

Accumulated Unpaid Compensatory Time

From time to time, employees may need to work overtime with prior approval from their supervisors. These overtime hours will usually be paid at the appropriate overtime rate; however, certain union employees by contract and non-exempt non-union employees have the choice to take overtime pay or accrue compensatory time at one and one half times the amount of hours worked. For Street Division employees, any overtime hours worked in excess of 8 overtime hours in one day or 24 hours in a two week pay period are compensated at two times the regular hourly rate. Per the agreements, different unions and non-union employees can accumulate compensatory time to different levels. The maximum hours allowed are as follows: Street Division - 80 hours, Police Clerks - 48 hours, Patrol Officers - 72 hours, Command Officers - 80 hours, Dispatch Officers - 48 hours and Non-union - 48 hours. In addition, dispatchers can be paid for up to 40 hours of compensatory time once per contract year. In the event of a termination of employment, death, or retirement, employees (or their estates) are paid for unused compensatory time.

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

Insurance and Other Benefits

The City provides healthcare benefits to full-time employees through a qualified High Deductible Health Plan (HDHP) in conjunction with a Health Savings Account (HSA) offered through Anthem. In addition to healthcare, the City also offers dental and optical insurance benefits. The dental plan insurance is carried through Superior Dental Care, Inc. and the vision insurance is carried by Vision Service Plan.

The City provides life insurance in the amount of \$30,000 for all full-time employees through Anthem Life. Employees have the option of taking out additional life insurance themselves through either Anthem Life or Reliance Standard Life. The City picks up 1 percent of the employees' share of retirement for all employees except Council members and seasonal employees. On January 12, 2004, the City provided to its employees the option through payroll deduction of contributing to an IRS Section 529 flexible benefit plan to save money for college.

Note 9- Contractual Commitments

As of December 31, 2011, the City had contractual commitments as follows:

<u>Project</u>	<u>Balance at December 31, 2011</u>
Recreation/Aquatic Center	\$3,299,057
Sewer line replacement/reconstruction	1,200,883
	<u>\$4,499,940</u>

Note 10 - Risk Management

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

The City pays an annual premium to Brower Insurance Services for coverage through U.S. Specialty and Travelers. The types of coverage and the deductibles are as follows:

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

Type of Coverage	Limit	Deductible
Law Enforcement Liability – Each Wrongful Act Limit	\$1,000,000	\$10,000
Public Entity Management Liability – Each Wrongful Act Limit	1,000,000	10,000
Employment Practices – Each Wrongful Employment Practice Limit	Included	10,000

Automobile:

Automobile Liability – Any Auto	1,000,000	0
Automobile Liability – Any Auto – Medical Payments	5,000	0
Automobile Physical Damage – Collision	*	2,000

* - Actual cash value on all vehicles or cost of repair minus deductible

Property:

Blanket Building/Contents/Boiler and Machinery	17,052,057	2,500
Water/Sewer Property/Boiler	19,037,294	2,500
Earthquake	5,000,000	50,000
Flood – Certain Areas	5,000,000	50,000
Communications Tower	100,000	2,500
Inland Marine	1,968,600	1,000
Contractors Equipment - Leased	100,000	1,000

Type of Coverage	Limit	Deductible
<u>General Liability:</u>		
Aggregate Limit	3,000,000	0
Products & Completed Work Total Limit	Included	0
Personal Injury Each Person Limit	Included	0
Fire Damage – Any one fire	100,000	0
Emergency Medical Technicians	Included	0

Excess Liability:

Umbrella Liability – Each Event	10,000,000	10,000
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Buildings and personal property are written/insured on a replacement cost basis. Flood coverage is valid on certain locations only. Physical damage on other property is insured by the City up to actual cash value of the scheduled property less the deductible listed for the class of property for each accident and location. All property risks, including physical damage coverage on specialized-use vehicles (fire trucks and emergency vehicles), are fully insured through the City's private insurance carrier.

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

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

Note 11 - Long-Term Obligations

A schedule of changes in bonds and other long-term obligations of the governmental activities of the City during 2011 follows:

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

Description	Maturity Date	Balance 12/31/2010	Additions	Deletions	Balance 12/31/2011	Due in One Year
GOVERNMENTAL ACTIVITIES LONG-TERM DEBT:						
Special Assessment Bonds:						
1991 \$460,000 Old Troy Pike Phase II - 6.70%	12/1/11	\$40,000	\$0	(\$40,000)	\$0	\$0
1995 \$1,222,000 Brandt Pike Phase IV - 5.75%	12/1/15	460,000	0	(80,000)	380,000	85,000
1995 \$982,000 Shull Road East and West - 5.80%	12/1/15	375,000	0	(65,000)	310,000	70,000
1996 \$281,000 Troy III - 5.70%	12/1/16	119,321	0	(17,898)	101,423	17,898
1996 \$190,000 Brandt Pike Phase V - 5.70%	12/1/16	80,679	0	(12,102)	68,577	12,102
1997 \$461,000 Brandt Pike Phase V - 5.45%	12/1/17	220,000	0	(30,000)	190,000	25,000
1998 \$665,000 Old Troy Pike Phase IV - 4.88%	12/1/18	345,000	0	(35,000)	310,000	40,000
1999 \$300,411 Old Troy Pike Phase V - 5.30%	12/1/19	167,815	0	(16,574)	151,241	16,574
1999 \$424,589 Executive Blvd Phase I - 5.30%	12/1/19	237,185	0	(23,426)	213,759	23,426
2000 \$750,000 Executive Blvd Phase II - 5.63%	12/1/20	475,000	0	(35,000)	440,000	40,000
2001 \$150,000 Huber East Water Main - 3.50%	12/1/21	45,421	0	(5,000)	40,421	3,913
2001 \$1,085,000 Executive Blvd Phase III - 3.50%	12/1/21	318,867	0	(50,000)	268,867	21,522
2001 \$685,000 Troy VI - 3.50%	12/1/21	199,778	0	(30,000)	169,778	13,696
2001 \$212,000 Aaron Lane - 3.50%	12/1/21	62,609	0	(10,000)	52,609	3,913
2001 \$45,000 Stoney Creek - 3.50%	12/1/21	14,550	0	(2,000)	12,550	783
2001 \$63,000 Lexington Place - 3.50%	12/1/21	18,775	0	(3,000)	15,775	1,174
2007 \$1,270,000 Brandt Pike Phase VI - 4.00%	12/1/27	1,150,000	0	(50,000)	1,100,000	50,000
2008 \$8,940,000 Carriage Trails Pkwy - 2.50%	12/1/28	8,295,000	0	(335,000)	7,960,000	345,000
2010 \$64,736 Huber East Water Main Refunding - 3.00%	12/1/21	64,236	0	(750)	63,486	7,391
2010 \$430,156 Executive Blvd Phase III - 3.00%	12/1/21	425,156	0	(7,500)	417,656	40,652
2010 \$271,427 Troy VI - 3.00%	12/1/21	268,427	0	(4,500)	263,927	25,870
2010 \$83,695 Aaron Lane - 3.00%	12/1/21	82,695	0	(1,500)	81,195	7,391
2010 \$19,809 Stoney Creek - 3.00%	12/1/21	19,609	0	(300)	19,309	1,478
2010 \$25,177 Lexington Place - 3.00%	12/1/21	24,877	0	(450)	24,427	2,217
General Obligation Bonds						
2001 \$1,755,000 Refunding Bonds, Series 2001B Police Facility - 2.90%	12/1/11	190,000	0	(190,000)	0	0
1991 \$555,000 Water Tank - 6.63%	12/1/11	50,000	0	(50,000)	0	0
1993 \$2,350,000 Fire Station Renovation - 5.35%	12/1/18	1,105,000	0	(115,000)	990,000	120,000
2010 \$820,000 Street Improvement - 5.10%	12/1/14	665,000	0	(165,000)	500,000	165,000
2010 \$905,000 Court Facility Bonds - 4.15%	12/1/18	855,000	0	(110,000)	745,000	110,000
2001 \$2,965,000 Various Purpose Series 2001A - 2.90%	12/1/11	85,000	0	(85,000)	0	0
2007 \$1,065,000 Sewer Construction - 4.00%	12/1/27	960,000	0	(40,000)	920,000	40,000
2008 \$2,105,000 Public Access Easement Acquisition 2.50%	12/1/28	1,955,000	0	(80,000)	1,875,000	80,000
Amortization of Premium		26,002	0	(2,364)	23,638	0
Amortization of Accounting Loss		(68,050)	0	6,186	(61,864)	0
2010 \$50,000 Carriage Trials Infrastructure - 1.50%	12/1/16	50,000	0	0	50,000	5,000
2010 \$305,000 Splash Pad - 1.50%	12/1/21	305,000	0	(30,000)	275,000	30,000
2010 \$635,000 Carriage Trials Infrastructure - 2.90%	12/1/30	635,000	0	0	635,000	0
2010 \$1,035,000 Carriage Trials Infrastructure - 2.90%	12/1/30	1,035,000	0	0	1,035,000	5,000
2010 \$1,878,810 Carriage Trials Infrastructure - 2.90%	12/1/30	1,878,810	0	0	1,878,810	0
2010 \$2,826,190 Carriage Trials Infrastructure - 2.90%	12/1/30	2,826,190	0	0	2,826,190	0
Capital Lease - Vehicles:						
2006 \$425,000 Sutphen Pump Engine Loan - 4.60%	7/13/13	185,430	0	(59,052)	126,378	61,768
2006 \$696,100 Pierce Ladder Truck Loan - 5.24%	12/28/13	406,342	0	(59,881)	346,461	63,019
State Infrastructure:						
2004 \$2,059,000 State Infrastructure - 0.00%	1/3/16	1,810,194	0	(149,379)	1,660,815	153,894
2005 \$822,895 State Infrastructure - 0.00%	8/26/18	822,895	0	(31,303)	791,592	32,250
Total Long-Term Liabilities - Bonds		29,287,813	0	(2,015,793)	27,272,020	1,720,931
Compensated Absences		1,651,295	1,255,347	(1,053,085)	1,853,557	909,417
Total Governmental Activities		\$30,939,108	\$1,255,347	(\$3,068,878)	\$29,125,577	\$2,630,348

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

The equipment/vehicle loans are paid from the Fire Capital Equipment Funds.

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, State Highway, and Street Maintenance and Repair; and Fire Capital Equipment Capital Projects Funds). These transfers are funded at least in part by municipal income and property tax revenues.

The compensated absences payable will be paid from the fund, which the person is paid. Historically this is the General Fund, a Special Revenue Fund or an Enterprise Fund.

Changes in the long-term obligations reported in business-type activities of the City during 2011 were as follows:

Description	Maturity Date	Balance 12/31/10	Additions	Deletions	Balance 12/31/2011	Due Within One Year 12/31/2011
Revenue Bonds Payable:						
1995 Water Acquisition/Upgrade - Principal Only - 5.90%	12/1/25	\$4,225,517	\$0	(\$384,623)	\$3,840,894	\$364,142
Accretion on Capital Appreciation Bonds - Interest Only	12/1/25	6,460,989	638,174	(600,377)	6,498,786	640,858
2005 \$3,280,000 Serial Bond Water System Improvement - 3.50%	12/1/20	1,950,000	0	(250,000)	1,700,000	235,000
2005 \$7,840,000 Term Bond Water System Improvement - 3.50%	12/1/30	7,840,000	0	0	7,840,000	0
OWDA Loans Payable:						
1995 Sewer OWDA Loan - 3.85%	7/1/15	2,266,711	0	(419,437)	1,847,274	435,740
2010 Sewer Lining OWDA Loan - 3.25%	7/1/15	265,438	0	(9,981)	255,457	9,918
Total Long-Term Liabilities - Bonds, Loan and Note		\$23,008,655	\$638,174	(\$1,664,418)	\$21,982,411	\$1,685,658
Compensated Absences		5,485	7,478	(5,485)	7,478	5,506
Total Business-Type Activities		\$23,014,140	\$645,652	(\$1,669,903)	\$21,989,889	\$1,691,164

The Water Fund's revenue bonds are paid from operating revenues of the water enterprise operation. The original issue amount for the 1995 Revenue Bonds was \$12,495,517. Of the original issue amount, \$8,270,000 were serial bonds, and \$4,225,517 were capital appreciation bonds. The capital appreciation bonds will mature in the years 2011 through 2025, and the amounts due on these dates will include interest compounded semiannually on June 1 and December 1 of each year beginning in 1996, at the compounding rates per year. The maturity amount of the capital appreciation bonds is \$16,875,000. The revenue bonds will be paid from the Water Fund.

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

The OWDA loans payable represent amounts borrowed from the Ohio Water Development Authority. The loans will be paid from Sewer Enterprise Fund revenue.

Principal and interest requirements to retire the City's long-term obligations outstanding at December 31, 2011, were as follows:

Years	GOVERNMENTAL ACTIVITIES			
	Special Assessment Bonds		General Obligation Bonds	
	Principal	Interest	Principal	Interest
2012	\$855,000	\$536,070	\$555,000	\$521,252
2013	875,000	501,638	575,000	505,661
2014	920,000	465,685	595,000	487,917
2015	970,000	426,740	420,000	469,118
2016	805,000	383,713	805,000	453,102
2017-2021	3,795,000	1,374,156	3,315,000	1,820,138
2022-2026	3,095,000	660,109	3,125,000	1,132,120
2027-2030	1,340,000	72,156	2,340,000	315,147
Totals	\$12,655,000	\$4,420,267	\$11,730,000	\$5,704,455

Years	GOVERNMENTAL ACTIVITIES			
	Equipment/Vehicle Loans		State Infrastructure Bank Loan	
	Principal	Interest	Principal	Interest
2012	\$124,787	\$23,968	\$186,143	\$72,303
2013	348,052	18,759	191,769	66,677
2014	0	0	197,565	60,881
2015	0	0	203,536	54,909
2016	0	0	1,053,094	38,622
2017-2020	0	0	620,300	35,530
Totals	\$472,839	\$42,727	\$2,452,407	\$328,922

Year(s)	BUSINESS-TYPE ACTIVITIES			
	Revenue Bonds		OWDA Loans	
	Principal	Interest	Principal	Interest
2012	\$599,142	\$1,101,602	\$445,659	\$75,201
2013	571,993	1,129,351	463,432	57,908
2014	545,210	1,157,134	480,813	39,978
2015	516,901	1,181,842	499,465	21,326
2016	490,925	1,209,819	11,241	6,844
2017-2021	2,082,954	6,425,221	61,978	28,446
2022-2026	2,538,770	5,962,480	72,819	17,606
2027-2030	6,035,000	772,750	67,324	5,016
Totals	\$13,380,894	\$18,940,200	\$2,102,731	\$252,325

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

The City issued an economic development revenue bond (EDRB) on February 1, 2006, in the principal amount of \$2,423,000. The EDRB financed the purchase of land and the construction and equipping of a 15,315 square foot addition to the existing YMCA family social service center on Shull Road in the City, including parking facilities. The building addition was necessary to house a satellite campus for Sinclair Community College, which leases the building addition from the YMCA. Concurrently with the issuance of the EDRB, the City and the YMCA entered into a loan agreement whereby the YMCA unconditionally agreed to make loan payments to the bond trustee in amounts sufficient to pay the principal and interest on the EDRB. The EDRB is a special obligation of the City, payable solely from the loan payments. Concurrently with the issuance of the EDRB and the execution of the loan agreement, the City assigned all of its rights under the loan agreement to the original purchaser of the EDRB. The EDRB is not a general obligation of the City, and does not constitute a debt or pledge of the faith and credit or the taxing power of the city. The EDRB had a principal amount of \$1,867,000 outstanding at December 31, 2011.

Note 12 - Short-Term Obligations

A summary of the short-term note transactions for the year ended December 31, 2011, follows:

Notes Payable	Balance at 12/31/10	Increases	Decreases	Balance at 12/31/11
2011 - Capital Facilities	\$0	\$6,000,000	\$0	\$6,000,000
2012 - Capital Facilities	0	2,000,000	0	2,000,000
Total	<u>\$0</u>	<u>\$8,000,000</u>	<u>\$0</u>	<u>\$8,000,000</u>

Note 13 - Capital Leases

In 2006, the City entered into two lease agreements as lessee for the purchase of two vehicles for the Fire division. The final acquisition costs of the pumper and ladder trucks were \$394,639 and \$695,484 respectively. The lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future lease payments as of the inception date.

The future minimum lease obligations and the net present value of the minimum lease payments as of December 31, 2011, are as follows:

Fiscal Year Ending June 30	Capital Leases
2012	\$148,755
2013	<u>366,811</u>
Total Minimum Lease Payments	515,566
Less: Amount Representing Interest	<u>(42,727)</u>
Present Value of Minimum Lease Payments	<u>\$472,839</u>

Transfers-Internal Activities as Reported in Government-wide Financial Statements

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

Note 14 - Interfund Transactions

Interfund Receivables/Payables

The General Fund had an interfund receivable at December 31, 2011, of \$1,316,320. Other Governmental Funds had an interfund payable of \$1,316,320. The loans were made to cover capital outlay and operations costs that will eventually be covered by reimbursement grants. The City expects the interfund to be repaid during 2012. All interfund receivable/payable transactions meet the requirements of the Ohio Revised Code.

Transfers-Fund Financial Statements

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$0	\$5,353,990
Police Fund	1,300,000	0
Fire Fund	4,017,592	0
Special Assessment Bond Retirement Fund	729,000	0
Capital Improvement Fund	1,258,446	0
Other Governmental Funds	957,990	2,666,139
Total Governmental Funds	<u>8,263,028</u>	<u>8,020,129</u>
Sewer Fund	0	151,487
Water Fund	0	90,366
Stormwater Fund	0	48,336
Total Enterprise Funds	<u>0</u>	<u>290,189</u>
Total Transfers	<u>\$8,263,028</u>	<u>\$8,310,318</u>
Difference - Transfers Out Exceeds Transfers In	<u>\$47,290</u> ¹	

¹ The \$47,290 difference between transfers out and transfers in is created due to the transfer of capital assets previously recorded in the Enterprise Funds to the Governmental Activities assets. Since the Governmental Funds do not report capital assets, the required accounting treatment is to report the transfer of the capital assets as a transfer out in the Enterprise Funds even though the Governmental Funds are not in a position to report the corresponding transfer in, resulting in a difference between transfers out and transfers in. However, transfers in and transfers out do continue to balance on the government-wide statement of activities.

Transfers-Internal Activities -Government-wide Financial Statements

	<u>Business-Type Activities</u>
Transfers -(Out) as Reported in Enterprise Fund Financial Statements	(\$290,189) ²
<i>Reclassification for Required Government-wide Financial Statement Presentation:</i>	
Capital Assets Transferred to Business-Type Activities from Governmental Activities	<u>616,971</u> ³
Transfers-Internal Activities as Reported in Government-wide Financial Statements	<u>\$326,782</u>

² Includes in the (\$47,290) shown above.

³ Reported as part of Transfers-Internal Activities in Government-wide Financial Statements and part of Capital Contributions in the Enterprise Fund Financial Statements.

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that the statute or budget requires to expend them and unrestricted revenues collected

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

in the general fund to finance various programs accounted for in the other funds in accordance with budgetary authorizations; to segregate money for anticipated capital projects; to provide additional resources for current operations or debt service; and to return money to the fund from which it was originally provided once a project is completed. All transfers out of funds other than the General Fund were legal transfers for allowable debt principal and interest payments or capital asset transfers.

Note 15 - Joint Ventures

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

Tri-Cities is a joint venture among the Cities of Huber Heights, Vandalia, and Tipp City. Tri-Cities is governed by a management board consisting of the city managers of the three cities. The board has complete authority over all aspects of the operation. Tri-Cities supplies all participating residents of the member cities with sewer services. Each City owns the sewage lines located in its city and bills its residents for usage. Continued existence of Tri-Cities is dependent on the City's continued participation. The percentage of equity interest in the joint venture for each City is based on annual usage and is adjusted each year accordingly. The City's equity interest is \$16,658,765 which represents 53.54% of the total equity in Tri-Cities. Tri-Cities is not accumulating significant financial resources or experiencing fiscal stress which would cause additional financial benefit to or burden on the City. The City of Huber Heights was party to several transactions during 2011 involving Tri-Cities for services provided to the City by Tri-Cities. The amount for services provided to the City was \$1,757,480.

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

On January 22, 2001, the City entered into a contract for the creation of a Joint Economic Development District (JEDD) with the Township of Bethel and Clark County, Ohio. The contract was entered into under the authority of Ohio Revised Code Section 715.72. The JEDD was established for the purpose of cooperative regional development and job creation, along with growth in commercial and industrial development. The JEDD will permit the three jurisdictions to share tax revenues from the development of property without the need of annexation. The City will provide fire, police, rescue, zoning and building services, and marketing for the site. Clark County will provide water and sewer services. The 41 acres located in Bethel Township, along with a contiguous 17 acre parcel located within the City along State Route 235 are available for use. The contract will terminate on December 31, 2014, and can be renewed for three additional 25-year periods. Upon contract termination, all assets and liabilities of the JEDD will be divided equally between the three parties. The Board of Directors is made up of six individuals: one from each of the three participants; a representative of business existing within the JEDD; a representative of employees of businesses within the JEDD; and a representative appointed by the other five representatives whose term will rotate between a City resident and a

City of Huber Heights, Ohio
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For the Year Ended December 31, 2011

township resident. Several international companies have expressed interest in the site. The JEDD results from a contractual arrangement and is governed by two or more participants as a separate and specific activity subject to joint control, in which the participants retain an ongoing financial responsibility. The City has an equity interest since the contract stipulates the City will have claim to the net resources of JEDD, as set forth in the contract. Since the JEDD has had no financial activity since its inception in 2003, the City's equity interest at December 31, 2011, is \$0. Additional information can be obtained from the City of Huber Heights, Planning and Development Department, 6131 Taylorsville Road, Huber Heights, Ohio 45424-2951.

Note 16 - Jointly Governed Organizations

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

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

Payments to the Commission are made from the General Fund. The City contributed \$17,567 during 2011. Financial information can be obtained from Donald R. Spang, Executive Director, at One Dayton Centre, Suite 260, One South Main Street, Dayton, Ohio 45402.

The Miami Valley Fire/EMS Alliance (the Alliance) is a jointly governed organization between municipal corporations and townships in Montgomery, Greene and Warren Counties. The purpose of the Alliance is to foster cooperation among the political subdivisions by promoting programs and recommending matters which will result in more efficient methods of delivering fire and emergency medical services in the region. The Board of the Alliance is made up of a representative appointed by the City of Dayton, a representative appointed by the members who are provided Fire/EMS Services by volunteers, two representatives appointed by the members who are provided Fire/EMS Services by a combination of full 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 2011. Financial information can be obtained from Howard Giles, Executive Director, at 444 West Third Street, Suite 20-231, Dayton, Ohio 45402-1460.

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

The ED/GE Advisory Committee, made up of alternating member entities' representatives, decides which proposed projects will be granted each year. Sales tax revenues, set aside by Montgomery County, are used to fund the projects. Members annually contribute to or receive benefits based on an elaborate zero-based formula designed to distribute growth in contributing communities to those communities experiencing less economic growth. The City has agreed to be a member for nine years, ending December 31, 2019. Any member in default of paying its contributions will be liable for the amount of the contribution, any interest accrued, and penalties. During this time, the member will not be entitled to any allocations from ED/GE. Payments to ED/GE are made from the General Fund. The City was not required to make a contribution during 2011 for the operation of ED/GE. Financial information can be obtained from Linda Gum, ED/GE Coordinator, at 451 West Third Street, Dayton, Ohio 45422-1110.

The Regional Emergency Response Team (RERT) is a jointly governed organization between the following cities: Huber Heights, Vandalia, Fairborn, and Beavercreek. The organization was created through an agreement by the cities to establish a regional council of governments for the RERT. The regional council of governments collects and expends resources to assist the RERT in fighting crime and for other related activities. The purpose of the RERT is to foster cooperation among municipalities through sharing of equipment/facilities/collective team expenses, team consultant expenses and grant sharing costs, for their common benefit. This includes the mutual interchange and sharing of police equipment, as well as police equipment to be jointly acquired and owned, to be utilized by all participating members. The Board of the RERT is made up of one representative from each municipality. Payments to the RERT are made from the Police Fund. The City contributed \$5,000 for the operation of the RERT for 2011. Financial information can be obtained from the fiscal agent by writing to the RERT, c/o The City of Beavercreek, Bill Kucera, Financial Administrative Services Director, at 1368 Research Park Drive, Beavercreek, Ohio 45432 or by e-mail: Kucera@ci.beavercreek.oh.us.

The First Suburbs Consortium of Dayton, Ohio Council of Governments (First Suburbs Consortium) is a jointly governed organization between the following members: Centerville, Clayton, Jefferson Township, Harrison Township, Huber Heights, Kettering, Miamisburg, Moraine, Oakwood, Riverside, Trotwood, Vandalia, and West Carrolton. The organization was created through an agreement by the governments to establish a regional council of governments. The purpose of the First Suburbs Consortium is to provide organizational status through cooperative efforts between member communities in matters of mutual concern, including but not limited to initiation and support of policies and practices which protect, maintain and redevelop mature communities and other matters which affect health, safety, welfare, education, economic conditions and regional development. The mission is to initiate and promote public

City of Huber Heights, Ohio
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policies and practices that maintain the vitality of communities, protects and redevelops mature communities, and fosters regional cooperation. The First Suburbs Consortium advocates: public policies that do not create disposable communities; balanced investments in new and existing infrastructure; maintenance and enhancement of the tax base; and creation of redevelopment opportunities. The Board of the First Suburbs Consortium is made up of two representatives from each government. Payments to the First Suburbs Consortium are made from the General Fund. The City paid \$250 for the 2011 annual membership fee. Financial information can be obtained from the fiscal agent by writing to the First Suburbs Consortium of Dayton Ohio, c/o Jack Jensen, Executive Director, P.O. Box 49552, Dayton, Ohio 45449-0552.

The Community Improvement Corporation of Huber Heights (CIC), also known as the Economic Development Corporation, is a jointly governed organization created as a not for profit corporation under Chapter 1724 of the Ohio Revised Code. The CIC is governed by a nine-member Board of Trustees, four of which are appointed by City Council among Council members. The other five members are volunteer citizens. The organization is designated by the City as its agency for the purpose of industrial, commercial, distribution and research development. The City entered into an agreement with the CIC to further development, which will create or preserve jobs and improve the economic welfare of citizens. No payments are made to the CIC by the City. Financial information can be obtained by writing to the CIC, c/o Gary Swords, Treasurer, at 7801 North Dixie Drive, Dayton, Ohio 45414.

Note 17 - Contingent Liabilities

Litigation

The City is party to various legal proceedings. Management estimates that the ultimate outcome of these proceedings will not have a material effect on the financial statements.

Grants

For the period January 1, 2011, to December 31, 2011, 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, management believes such disallowance, if any, would be immaterial.

City of Huber Heights, Ohio
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Lease Agreement

The City’s utility contractor, United Water NACO, LLC (United Water), leases office space from Columbia Building Company. As part of the lease agreement, the City guarantees payment of the lease if United Water NACO, LLC defaults or if the contract with United Water is terminated. The lease agreement began January 1, 2005, for a nine-year period through December 31, 2013. Lease payments are due in monthly installments. There is a renewal option of two renewal terms of five years each at the end of 2013. The total lease payment is made up of a fixed minimum rent, common area maintenance, taxes, and insurance.

The following table shows the total yearly lease payments:

<u>Year</u>	<u>Amount</u>
2012	\$43,780
2013	44,405
Total	<u>\$88,185</u>

Note 18 – Accountability

The following individual funds had a deficit in fund balance at year end:

<u>Funds</u>	<u>Deficit</u>
Capital Improvement Fund	\$2,260,605
Other Governmental:	
Community Development Block Grant	5,600
Miami County TIF	256,474
Issue II Grant	482,292

The deficit in fund balance was primarily due to accruals in the fund financial statements. The General Fund is liable for any deficit in these funds and will provide operating transfers when cash is required not when accruals occur.

Note 19 – Change in Accounting Principles and Restatement of Fund Balance

Change in Accounting Principles

For fiscal year 2011, the City has implemented Governmental Accounting Standards Board (GASB) Statement No. 54, “Fund Balance Reporting and Governmental Fund Type Definitions.” GASB 54 shifts the focus of fund balance reporting from the availability of fund resources for budgeting to the extent to which the City is bound to honor constraints on the specific purposes for which amounts in funds can be spent.

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

Restatement of Fund Balance

The implementation of GASB 54 had the following effects on fund balance of the following major and non-major (other governmental) funds of the City as they were previously reported.

	General Fund	Other Governmental Funds
Fund Balance, December 31, 2011	\$7,020,117	\$16,503,994
Change in Fund Structure	147,102	(147,102)
Fund Balance, December 31, 2011 - Restated	<u>\$7,167,219</u>	<u>\$16,356,892</u>

Note 20 - Fund Balances

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the City is bound to observe constraints imposed upon the use of the resources in the government funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:

Fund Balances	General	Police	Fire	Special Assessment Bond Retirement	Capital Improvement	Other Governmental Funds	Total
Nonspendable:							
Inventory	\$37,016	\$45,509	\$40,573	\$0	\$0	\$222,689	\$345,787
Total Nonspendable	37,016	45,509	40,573	0	0	222,689	345,787
Restricted for:							
Public Safety	0	1,109,102	404,234	0	0	40,008	1,553,344
Special Assessments	0	0	0	506,331	0	541,000	1,047,331
Street Repair and Maintenance	0	0	0	0	0	7,624,560	7,624,560
TIF Monies	0	0	0	0	0	1,749,104	1,749,104
Capital Improvements	0	0	0	0	0	4,868,630	4,868,630
Other Purposes	0	0	0	0	0	6,440	6,440
Total Restricted	0	1,109,102	404,234	506,331	0	14,829,742	16,849,409
Assigned to:							
General Government	398,741	0	0	0	0	0	398,741
Public Safety	11,074	0	0	0	0	0	11,074
Community Development	46,644	0	0	0	0	0	46,644
Debt Service	0	0	0	0	0	230,437	230,437
Total Assigned	456,459	0	0	0	0	230,437	686,896
Unassigned (Deficit)	5,940,051	0	0	0	(2,260,605)	(744,366)	2,935,080
Total Fund Balance	<u>\$6,433,526</u>	<u>\$1,154,611</u>	<u>\$444,807</u>	<u>\$506,331</u>	<u>(\$2,260,605)</u>	<u>\$14,538,502</u>	<u>\$20,817,172</u>

REQUIRED SUPPLEMENTARY INFORMATION

City of Huber Heights, Ohio
Schedule of Revenues, Expenditures by Budget Center and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2011

	General Fund			Variance from Final Budget
	Original Budget	Final Budget	Actual	
Revenues:				
Taxes	\$5,734,345	\$5,794,328	\$5,794,328	\$0
Fines, Licenses & Permits	584,097	590,207	590,207	0
Intergovernmental	1,580,935	1,597,472	1,597,472	0
Special Assessments	41,610	42,045	42,045	0
Charges for Services	1,253,171	1,266,279	1,266,279	0
Investment Earnings	207,657	209,829	209,829	0
Other Revenues	259,478	262,192	262,192	0
Total Revenues	9,661,293	9,762,352	9,762,352	0
Expenditures:				
Current:				
<u>General Government</u>				
Mayor:				
Personal Services	9,840	10,385	8,950	1,435
Contractual Services	4,233	4,467	3,850	617
Supplies and Materials	1,026	1,083	933	150
Other	7,639	8,062	6,948	1,114
Total Mayor	22,738	23,997	20,681	3,316
Council:				
Personal Services	185,895	196,194	169,085	27,109
Contractual Services	51,561	54,418	46,899	7,519
Supplies and Materials	4,220	4,453	3,838	615
Other	13,545	14,295	12,320	1,975
Total Council	255,221	269,360	232,142	37,218
Central Services:				
Personal Services	14,292	15,084	13,000	2,084
Contractual Services	331,618	349,991	301,631	48,360
Supplies and Materials	19,607	20,693	17,834	2,859
Other	278,873	294,324	253,656	40,668
Total Central Services	644,390	680,092	586,121	93,971
Management:				
Personal Services	269,183	284,097	244,842	39,255
Contractual Services	239,415	252,680	217,766	34,914
Total Management	508,598	536,777	462,608	74,169
Accounting:				
Personal Services	506,339	534,392	460,553	73,839
Contractual Services	134,640	142,100	122,465	19,635
Supplies and Materials	18,133	19,137	16,493	2,644
Other	7,126	7,521	6,482	1,039
Total Accounting	666,238	703,150	605,993	97,157

Continued

City of Huber Heights, Ohio
Schedule of Revenues, Expenditures by Budget Center and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2011

	General Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Taxation:				
Personal Services	476,751	503,166	433,641	69,525
Contractual Services	170,605	180,057	155,178	24,879
Supplies and Materials	23,352	24,645	21,240	3,405
Other	1,044	1,102	950	152
Total Taxation	671,752	708,970	611,009	97,961
Legal:				
Contractual Services	373,557	394,254	339,778	54,476
Total Legal	373,557	394,254	339,778	54,476
Information Services:				
Personal Services	229,560	242,279	208,802	33,477
Contractual Services	48,738	51,438	44,331	7,107
Supplies and Materials	15,015	15,847	13,657	2,190
Total Information Services	293,313	309,564	266,790	42,774
Human Resources:				
Personal Services	126,568	133,580	115,123	18,457
Contractual Services	18,873	19,918	17,166	2,752
Supplies and Materials	1,334	1,407	1,213	194
Other	2,530	2,670	2,301	369
Total Human Resources	149,305	157,575	135,803	21,772
Buildings and Grounds Maintenance:				
Contractual Services	64	67	58	9
Supplies and Materials	1,398	1,476	1,272	204
Total Buildings and Grounds Maintenance	1,462	1,543	1,330	213
Court Facility:				
Personal Services	28,475	30,052	25,900	4,152
Contractual Services	42,125	44,459	38,316	6,143
Supplies and Materials	4,503	4,753	4,096	657
Other	1,002	1,057	911	146
Total Court Facility	76,105	80,321	69,223	11,098
Total General Government	3,662,679	3,865,603	3,331,478	534,125

Continued

City of Huber Heights, Ohio
 Schedule of Revenues, Expenditures by Budget Center and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2011

	General Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
<u>Public Safety</u>				
Dispatch:				
Personal Services	988,978	1,043,772	899,549	144,223
Contractual Services	132,650	139,999	120,655	19,344
Supplies and Materials	1,185	1,251	1,078	173
Total Dispatch	<u>1,122,813</u>	<u>1,185,022</u>	<u>1,021,282</u>	<u>163,740</u>
General Lighting:				
Contractual Services	82,314	86,875	74,871	12,004
Total General Lighting	<u>82,314</u>	<u>86,875</u>	<u>74,871</u>	<u>12,004</u>
Total Public Safety	<u>1,205,127</u>	<u>1,271,897</u>	<u>1,096,153</u>	<u>175,744</u>
<u>Community Development</u>				
Planning and Zoning:				
Personal Services	543,354	573,458	494,221	79,237
Contractual Services	100,242	105,796	91,178	14,618
Supplies and Materials	27,737	29,274	25,229	4,045
Other	35,795	37,778	32,558	5,220
Total Planning and Zoning	<u>707,128</u>	<u>746,306</u>	<u>643,186</u>	<u>103,120</u>
Engineering:				
Personal Services	384,257	405,546	349,510	56,036
Contractual Services	36,277	38,287	32,997	5,290
Supplies and Materials	20,968	22,130	19,072	3,058
Other	159	168	145	23
Total Engineering	<u>441,661</u>	<u>466,131</u>	<u>401,724</u>	<u>64,407</u>
Community Services:				
Personal Services	92,409	97,529	84,053	13,476
Contractual Services	2,298	2,425	2,090	335
Supplies and Materials	5,965	6,296	5,426	870
Total Community Services	<u>100,672</u>	<u>106,250</u>	<u>91,569</u>	<u>14,681</u>
Economic Development:				
Contractual Services	39,859	42,068	36,255	5,813
Supplies and Materials	1,101	1,161	1,001	160
Total Economic Development	<u>40,960</u>	<u>43,229</u>	<u>37,256</u>	<u>5,973</u>
Total Community Development	<u>1,290,421</u>	<u>1,361,916</u>	<u>1,173,735</u>	<u>188,181</u>

Continued

City of Huber Heights, Ohio
Schedule of Revenues, Expenditures by Budget Center and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2011

	General Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Capital Outlay	188,976	199,446	171,888	27,558
Total Expenditures	6,347,203	6,698,862	5,773,254	925,608
Excess of Revenues Over (Under) Expenditures	3,314,090	3,063,490	3,989,098	925,608
Other Financing Sources (Uses):				
Advances In	858,176	867,153	867,153	0
Advances (Out)	(888,847)	(938,094)	(808,473)	129,621
Transfers In	0	0	0	0
Transfers (Out)	(6,161,111)	(6,502,466)	(5,603,990)	898,476
Total Other Financing Sources (Uses)	(6,191,782)	(6,573,407)	(5,545,310)	1,028,097
Net Change in Fund Balance	(2,877,692)	(3,509,917)	(1,556,212)	1,953,705
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	5,332,407	5,332,407	5,332,407	0
Fund Balance End of Year	<u>\$2,454,715</u>	<u>\$1,822,490</u>	<u>\$3,776,195</u>	<u>\$1,953,705</u>

See accompanying notes to the required supplementary information.

City of Huber Heights, Ohio
Schedule of Revenues, Expenditures by Budget Center and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2011

	Police Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Taxes	\$5,470,862	\$4,290,924	\$4,290,924	\$0
Intergovernmental	187,845	147,331	147,331	0
Other Revenues	193,620	151,861	151,861	0
Total Revenues	<u>5,852,327</u>	<u>4,590,116</u>	<u>4,590,116</u>	<u>0</u>
Expenditures:				
Current:				
Public Safety:				
Police:				
Personal Services	6,408,689	6,613,392	6,221,992	391,400
Contractual Services	456,309	470,884	443,016	27,868
Supplies and Materials	348,532	359,665	338,379	21,286
Other	8,800	9,081	8,544	537
Total Police Department	<u>7,222,330</u>	<u>7,453,022</u>	<u>7,011,931</u>	<u>441,091</u>
Total Public Safety	7,222,330	7,453,022	7,011,931	441,091
Capital Outlay	131,313	135,508	127,488	8,020
Total Expenditures	<u>7,353,643</u>	<u>7,588,530</u>	<u>7,139,419</u>	<u>449,111</u>
Excess of Revenues Over (Under) Expenditures	<u>(1,501,316)</u>	<u>(2,998,414)</u>	<u>(2,549,303)</u>	<u>449,111</u>
Other Financing Sources (Uses):				
Transfers In	1,657,480	1,300,000	1,300,000	0
Total Other Financing Sources (Uses)	<u>1,657,480</u>	<u>1,300,000</u>	<u>1,300,000</u>	<u>0</u>
Net Change in Fund Balance	156,164	(1,698,414)	(1,249,303)	449,111
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>2,120,497</u>	<u>2,120,497</u>	<u>2,120,497</u>	<u>0</u>
Fund Balance End of Year	<u>\$2,276,661</u>	<u>\$422,083</u>	<u>\$871,194</u>	<u>\$449,111</u>

See accompanying notes to the required supplementary information.

City of Huber Heights, Ohio
Schedule of Revenues, Expenditures by Budget Center and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2011

	Fire Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Taxes	\$1,293,484	\$1,274,883	\$1,274,883	\$0
Intergovernmental	130,963	129,080	129,080	0
Charges for Services	1,668	1,644	1,644	0
Other Revenues	17,114	16,868	16,868	0
Total Revenues	1,443,229	1,422,475	1,422,475	0
Expenditures:				
Current:				
Public Safety:				
Fire:				
Personal Services	6,577,952	6,520,516	5,978,946	541,570
Contractual Services	460,356	456,337	418,435	37,902
Supplies and Materials	181,157	179,575	164,660	14,915
Other	40,763	40,407	37,051	3,356
Total Fire	7,260,228	7,196,835	6,599,092	597,743
Total Public Safety	7,260,228	7,196,835	6,599,092	597,743
Capital Outlay	35,991	35,677	32,714	2,963
Total Expenditures	7,296,219	7,232,512	6,631,806	600,706
Excess of Revenues Over (Under) Expenditures	(5,852,990)	(5,810,037)	(5,209,331)	600,706
Other Financing Sources (Uses):				
Transfers In	4,076,210	4,017,592	4,017,592	0
Total Other Financing Sources (Uses)	4,076,210	4,017,592	4,017,592	0
Net Change in Fund Balance	(1,776,780)	(1,792,445)	(1,191,739)	600,706
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	1,802,186	1,802,186	1,802,186	0
Fund Balance End of Year	\$25,406	\$9,741	\$610,447	\$600,706

See accompanying notes to the required supplementary information.

City of Huber Heights, Ohio
Notes to the Required Supplementary Information
For The Year Ended December 31, 2011

Budgetary Process

All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations 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 appropriations resolution is Council's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by Council. The legal level of control has been established by Council at the object level for all funds.

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

The appropriation resolution is subject to amendment 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.

While the City is 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 Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget (Non-GAAP Basis) and Actual presented for the general fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP basis are as follows:

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
2. Expenditures are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
3. Encumbrances are treated as expenditures (budget) rather than as an assignment of fund balance (GAAP).
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 statement.

City of Huber Heights, Ohio
Notes to the Required Supplementary Information
For The Year Ended December 31, 2011

5. Some funds are reported as part of the general fund (GAAP basis as opposed to the general fund being reported alone (budget basis)).

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the general fund, the police fund and the fire fund.

Net Change in Fund Balance

	<u>General</u>	<u>Police</u>	<u>Fire</u>
GAAP Basis	(\$733,693)	(\$710,283)	(\$814,434)
Revenue Accruals	(400,228)	(144,035)	(28,081)
Expenditure Accruals	(8,231)	58,106	52,033
Advances In	867,153	0	0
Advances Out	(808,473)	0	0
Encumbrances	(621,766)	(453,091)	(401,257)
Funds Budgeted Elsewhere	149,026	0	0
Budget Basis	<u>(\$1,556,212)</u>	<u>(\$1,249,303)</u>	<u>(\$1,191,739)</u>

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COMBINING STATEMENTS AND INDIVIDUAL FUND SCHEDULES



MAJOR GOVERNMENTAL FUNDS

Special Assessment Bond Retirement - To account for special assessments collected for the payment of special assessment bonded debt with governmental commitment. The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance are included in the Basic Financial Statements. The Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual (Non-GAAP Budgetary Basis) follows this page.

Capital Improvement - To account for various capital improvement projects, including streets, sidewalks, building construction and major building improvements. The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance are included in the Basic Financial Statements. The Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual (Non-GAAP Budgetary Basis) follows this page.

City of Huber Heights, Ohio
Schedule of Revenues, Expenditures by Budget Center and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2011

	Special Assessment Bond Retirement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Special Assessments	\$294,210	\$294,210	\$0
Other Revenues	365,044	365,044	0
Total Revenues	<u>659,254</u>	<u>659,254</u>	<u>0</u>
Expenditures:			
Current:			
General Government:			
Accounting:			
Contractual Services	14,017	13,993	24
Total Accounting	<u>14,017</u>	<u>13,993</u>	<u>24</u>
Total General Government	<u>14,017</u>	<u>13,993</u>	<u>24</u>
Debt Service:			
Principal Retirement	856,455	855,000	1,455
Interest and Fiscal Charges	<u>574,266</u>	<u>573,290</u>	<u>976</u>
Total Expenditures	<u>1,444,738</u>	<u>1,442,283</u>	<u>2,455</u>
Excess of Revenues Over (Under) Expenditures	<u>(785,484)</u>	<u>(783,029)</u>	<u>2,455</u>
Other Financing Sources (Uses):			
Debt Proceeds	0	0	0
Transfers In	<u>728,999</u>	<u>729,000</u>	<u>1</u>
Total Other Financing Sources (Uses)	<u>728,999</u>	<u>729,000</u>	<u>1</u>
Net Change in Fund Balance	(56,485)	(54,029)	2,456
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>642,144</u>	<u>642,144</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$585,659</u></u>	<u><u>\$588,115</u></u>	<u><u>\$2,456</u></u>

City of Huber Heights, Ohio
Schedule of Revenues, Expenditures by Budget Center and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2011

	Capital Improvement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$149,300	\$145,070	(\$4,230)
Special Assessments	132,207	128,461	(3,746)
Investment Earnings	251	244	(7)
Other Revenues	205,832	200,000	(5,832)
Total Revenues	487,590	473,775	(13,815)
Expenditures:			
Current:			
General Government:			
Accounting:			
Personal Services	19,121	17,076	2,045
Total General Government	19,121	17,076	2,045
Capital Outlay	9,767,412	8,722,960	1,044,452
Debt Service:			
Principal Retirement	202,316	180,682	21,634
Interest and Fiscal Charges	87,075	77,764	9,311
Total Expenditures	10,075,924	8,998,482	1,077,442
Excess of Revenues Over (Under) Expenditures	(9,588,334)	(8,524,707)	1,063,627
Other Financing Sources (Uses):			
Proceeds from Sale of Capital Assets	1,893	1,839	(54)
Debt Proceeds	8,233,272	8,000,000	(233,272)
Advances In	17,653	17,153	(500)
Advances (Out)	(1,254,276)	(1,120,153)	134,123
Transfers In	2,430,303	2,361,446	(68,857)
Total Other Financing Sources (Uses)	9,428,845	9,260,285	(168,560)
Net Change in Fund Balance	(159,489)	735,578	895,067
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	1,201,018	1,201,018	0
Fund Balance End of Year	\$1,041,529	\$1,936,596	\$895,067

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special Revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. The term *proceeds of specific revenue sources* establishes that one or more specific restricted or committed revenues should be the foundation for a special revenue fund.

Debt Service Funds

The debt service fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. Debt service funds should be used to report resources if legally mandated (i.e. debt payable from property taxes). Financial resources that are being accumulated for principal and interest maturing in future years also should be reported in debt service funds.

Capital Projects Funds

The Capital Projects Funds is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Capital projects funds exclude those types of capital-related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments.

City of Huber Heights, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2011

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:				
Equity in Pooled Cash and Investments	\$10,100,790	\$230,437	\$5,069,517	\$15,400,744
Restricted Cash and Investments	0	0	27,734	27,734
Receivables:				
Taxes	323,747	0	401,446	725,193
Accounts	1,052	0	0	1,052
Intergovernmental	1,822,745	0	0	1,822,745
Special Assessments	295,649	0	155,564	451,213
Inventory	221,919	0	770	222,689
Total Assets	12,765,902	230,437	5,655,031	18,651,370
Liabilities and Fund Balances:				
Liabilities:				
Accounts Payable	76,667	0	31,275	107,942
Accrued Wages and Benefits	73,590	0	0	73,590
Retainage Payable	0	0	27,734	27,734
Contracts Payable	975	0	66,021	66,996
Interfund Payable	541,320	0	775,000	1,316,320
Deferred Revenue	2,152,393	0	367,893	2,520,286
Total Liabilities	2,844,945	0	1,267,923	4,112,868
Fund Balances:				
Nonspendable	221,919	0	770	222,689
Restricted	9,961,112	0	4,868,630	14,829,742
Assigned	0	230,437	0	230,437
Unassigned	(262,074)	0	(482,292)	(744,366)
Total Fund Balances	9,920,957	230,437	4,387,108	14,538,502
Total Liabilities and Fund Balances	\$12,765,902	\$230,437	\$5,655,031	\$18,651,370

City of Huber Heights, Ohio
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Nonmajor Governmental Funds
For the Fiscal Year Ended December 31, 2011

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:				
Taxes	\$1,568,083	\$0	\$1,988,096	\$3,556,179
Fines, Licenses and Permits	\$9,518	\$0	\$26,964	\$36,482
Charges for Services	3,414	138,020	0	141,434
Investment Earnings	26,474	0	4,654	31,128
Intergovernmental	1,857,983	0	850,000	2,707,983
Special Assessments	386,981	0	6,464	393,445
Revenue in Lieu of Taxes	1,313,072	0	0	1,313,072
Other Revenues	39,758	0	2,713	42,471
Total Revenues	5,205,283	138,020	2,878,891	8,222,194
Expenditures:				
Current:				
General Government	107,585	0	0	107,585
Public Safety	333,503	0	3,560	337,063
Transportation and Street Repair	1,580,484	0	0	1,580,484
Capital Outlay	259,647	0	4,453,093	4,712,740
Debt Service:				
Principal Retirement	0	865,000	118,933	983,933
Interest and Fiscal Charges	0	580,808	29,822	610,630
Total Expenditures	2,281,219	1,445,808	4,605,408	8,332,435
Excess of Revenues Over (Under) Expenditures	2,924,064	(1,307,788)	(1,726,517)	(110,241)
Other Financing Sources (Uses):				
Transfers In	6,440	951,550	0	957,990
Transfers (Out)	(2,491,139)	0	(175,000)	(2,666,139)
Total Other Financing Sources (Uses)	(2,484,699)	951,550	(175,000)	(1,708,149)
Net Change in Fund Balance	439,365	(356,238)	(1,901,517)	(1,818,390)
Fund Balance Beginning of Year, Restated	9,481,592	586,675	6,288,625	16,356,892
Fund Balance End of Year	\$9,920,957	\$230,437	\$4,387,108	\$14,538,502

NON-MAJOR SPECIAL REVENUE FUNDS

Fund Descriptions

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.

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

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.

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.

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.

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.

City Motor Vehicle 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.

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.

Byrne Memorial Grant – To account for grant monies used to purchase bullet-proof vests.

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

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

Law Enforcement Assistance Fund – To account for a grant from the State of Ohio Attorney General's Office for the continuing professional training for police officers.

Federal Emergency Management Assistance (FEMA) – To account for the funds received from FEMA for disaster relief. The funds will be used to reimburse the funds which originally paid for the damages and clean-up.

Natureworks Grant – To account for state grants used to renovate the restrooms at Tom Cloud Park.

City of Huber Heights, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2011

	Street Maintenance and Repair	Lighting	Drug Law Enforcement	Law Enforcement
Assets:				
Equity in Pooled Cash and Investments	\$3,578,143	\$569,198	\$6,587	\$26,858
Receivables:				
Taxes	0	0	0	0
Accounts	0	0	50	542
Intergovernmental	577,374	0	0	0
Special Assessments	0	295,649	0	0
Inventory	119,780	0	0	0
Total Assets	4,275,297	864,847	6,637	27,400
Liabilities and Fund Balances:				
Liabilities:				
Accounts Payable	37,066	27,726	0	0
Accrued Wages and Benefits	36,224	472	0	0
Contracts Payable	0	0	0	0
Interfund Payable	0	0	0	0
Deferred Revenue	479,800	295,649	0	305
Total Liabilities	553,090	323,847	0	305
Fund Balances:				
Nonspendable	119,780	0	0	0
Restricted	3,602,427	541,000	6,637	27,095
Unassigned	0	0	0	0
Total Fund Balances	3,722,207	541,000	6,637	27,095
Total Liabilities and Fund Balances	\$4,275,297	\$864,847	\$6,637	\$27,400

State Highway	County Motor Vehicle Permissive Tax	City Motor Vehicle Permissive Tax	Community Development Block Grant	Local Street Operating	Byrne Memorial Grant	Montgomery County TIF
\$384,863	\$91,414	\$218,120	\$30,812	\$3,193,129	\$5,761	\$1,749,104
0	0	0	0	323,747	0	0
0	0	0	0	460	0	0
57,096	43,127	84,381	19,199	0	0	970,763
0	0	0	0	0	0	0
20,244	0	0	0	81,895	0	0
<u>462,203</u>	<u>134,541</u>	<u>302,501</u>	<u>50,011</u>	<u>3,599,231</u>	<u>5,761</u>	<u>2,719,867</u>
0	0	0	2,715	9,160	0	0
0	0	0	0	36,894	0	0
0	0	0	0	975	0	0
0	0	0	45,000	0	0	0
47,754	36,649	71,366	7,896	171,406	0	970,763
<u>47,754</u>	<u>36,649</u>	<u>71,366</u>	<u>55,611</u>	<u>218,435</u>	<u>0</u>	<u>970,763</u>
20,244	0	0	0	81,895	0	0
394,205	97,892	231,135	0	3,298,901	5,761	1,749,104
0	0	0	(5,600)	0	0	0
<u>414,449</u>	<u>97,892</u>	<u>231,135</u>	<u>(5,600)</u>	<u>3,380,796</u>	<u>5,761</u>	<u>1,749,104</u>
<u>\$462,203</u>	<u>\$134,541</u>	<u>\$302,501</u>	<u>\$50,011</u>	<u>\$3,599,231</u>	<u>\$5,761</u>	<u>\$2,719,867</u>

Continued

City of Huber Heights, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2011

	Miami County TIF	Law Enforcement Assistance	FEMA	Natureworks Grant
Assets:				
Equity in Pooled Cash and Investments	\$220,526	\$515	\$0	\$25,760
Receivables:				
Taxes	0	0	0	0
Accounts	0	0	0	0
Intergovernmental	70,805	0	0	0
Special Assessments	0	0	0	0
Inventory	0	0	0	0
Total Assets	291,331	515	0	25,760
Liabilities and Fund Balances:				
Liabilities:				
Accounts Payable	0	0	0	0
Accrued Wages and Benefits	0	0	0	0
Contracts Payable	0	0	0	0
Interfund Payable	477,000	0	0	19,320
Deferred Revenue	70,805	0	0	0
Total Liabilities	547,805	0	0	19,320
Fund Balances:				
Nonspendable	0	0	0	0
Restricted	0	515	0	6,440
Unassigned	(256,474)	0	0	0
Total Fund Balances	(256,474)	515	0	6,440
Total Liabilities and Fund Balances	\$291,331	\$515	\$0	\$25,760

<u> <u> Total Nonmajor Special Revenue Funds </u> </u>
\$10,100,790
323,747
1,052
1,822,745
295,649
221,919
<u> <u>12,765,902</u> </u>
76,667
73,590
975
541,320
<u>2,152,393</u>
<u>2,844,945</u>
221,919
9,961,112
<u>(262,074)</u>
<u>9,920,957</u>
<u> <u>\$12,765,902</u> </u>

City of Huber Heights, Ohio
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Fiscal Year Ended December 31, 2011

	Street Maintenance and Repair	Lighting	Drug Law Enforcement	Law Enforcement
Revenues:				
Taxes	\$0	\$0	\$0	\$0
Fines, Licenses and Permits	0	0	785	8,733
Charges for Services	0	0	0	0
Investment Earnings	23,943	0	0	0
Intergovernmental	1,414,304	0	0	0
Special Assessments	0	386,981	0	0
Revenue in Lieu of Taxes	0	0	0	0
Other Revenues	10,642	0	0	5,639
Total Revenues	1,448,889	386,981	785	14,372
Expenditures:				
Current:				
General Government	0	0	0	0
Public Safety	0	332,416	0	687
Transportation and Street Repair	571,570	27,726	0	0
Capital Outlay	0	0	0	18,984
Total Expenditures	571,570	360,142	0	19,671
Excess of Revenues Over (Under) Expenditures	877,319	26,839	785	(5,299)
Other Financing Sources (Uses):				
Transfers In	0	0	0	0
Transfers (Out)	(330,000)	0	0	0
Total Other Financing Sources (Uses)	(330,000)	0	0	0
Net Change in Fund Balance	547,319	26,839	785	(5,299)
Fund Balance Beginning of Year, Restated	3,174,888	514,161	5,852	32,394
Fund Balance End of Year	\$3,722,207	\$541,000	\$6,637	\$27,095

State Highway	County Motor Vehicle Permissive Tax	City Motor Vehicle Permissive Tax	Community Development Block Grant	Local Street Operating	Byrne Memorial Grant	Montgomery County TIF
\$0	\$0	\$0	\$0	\$1,568,083	\$0	\$0
0	0	0	0	0	0	0
0	0	0	0	3,414	0	0
2,530	0	0	0	0	1	0
116,105	86,140	171,561	27,104	0	10,837	0
0	0	0	0	0	0	0
0	0	0	0	0	0	1,241,289
17,635	0	0	0	5,662	180	0
<u>136,270</u>	<u>86,140</u>	<u>171,561</u>	<u>27,104</u>	<u>1,577,159</u>	<u>11,018</u>	<u>1,241,289</u>
0	0	0	0	0	0	106,555
0	0	0	0	0	0	0
15,862	0	0	0	965,326	0	0
49,400	0	0	32,704	118,431	40,128	0
<u>65,262</u>	<u>0</u>	<u>0</u>	<u>32,704</u>	<u>1,083,757</u>	<u>40,128</u>	<u>106,555</u>
<u>71,008</u>	<u>86,140</u>	<u>171,561</u>	<u>(5,600)</u>	<u>493,402</u>	<u>(29,110)</u>	<u>1,134,734</u>
0	0	0	0	0	0	0
0	(78,000)	(137,000)	0	(203,100)	0	(1,258,447)
<u>0</u>	<u>(78,000)</u>	<u>(137,000)</u>	<u>0</u>	<u>(203,100)</u>	<u>0</u>	<u>(1,258,447)</u>
71,008	8,140	34,561	(5,600)	290,302	(29,110)	(123,713)
343,441	89,752	196,574	0	3,090,494	34,871	1,872,817
<u>\$414,449</u>	<u>\$97,892</u>	<u>\$231,135</u>	<u>(\$5,600)</u>	<u>\$3,380,796</u>	<u>\$5,761</u>	<u>\$1,749,104</u>

Continued

City of Huber Heights, Ohio
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Fiscal Year Ended December 31, 2011

	Miami County TIF	Law Enforcement Assistance	FEMA	Natureworks Grant
Revenues:				
Taxes	\$0	\$0	\$0	\$0
Fines, Licenses and Permits	0	0	0	0
Charges for Services	0	0	0	0
Investment Earnings	0	0	0	0
Intergovernmental	9,340	0	22,592	0
Special Assessments	0	0	0	0
Revenue in Lieu of Taxes	71,783	0	0	0
Other Revenues	0	0	0	0
Total Revenues	81,123	0	22,592	0
Expenditures:				
Current:				
General Government	1,030	0	0	0
Public Safety	0	400	0	0
Transportation and Street Repair	0	0	0	0
Capital Outlay	0	0	0	0
Total Expenditures	1,030	400	0	0
Excess of Revenues Over (Under) Expenditures	80,093	(400)	22,592	0
Other Financing Sources (Uses):				
Transfers In	0	0	0	6,440
Transfers (Out)	(462,000)	0	(22,592)	0
Total Other Financing Sources (Uses)	(462,000)	0	(22,592)	6,440
Net Change in Fund Balance	(381,907)	(400)	0	6,440
Fund Balance Beginning of Year, Restated	125,433	915	0	0
Fund Balance End of Year	(\$256,474)	\$515	\$0	\$6,440

<u>Total Nonmajor Special Revenue Funds</u>
\$1,568,083
9,518
3,414
26,474
1,857,983
386,981
1,313,072
39,758
<u>5,205,283</u>
107,585
333,503
1,580,484
259,647
<u>2,281,219</u>
<u>2,924,064</u>
6,440
<u>(2,491,139)</u>
<u>(2,484,699)</u>
439,365
9,481,592
<u>\$9,920,957</u>

City of Huber Heights, Ohio
Schedule of Revenues, Expenditures by Budget Center and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2011

	Street Maintenance and Repair Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$1,436,546	\$1,436,547	\$1
Investment Earnings	25,293	25,293	0
Other Revenues	10,642	10,642	0
Total Revenues	1,472,481	1,472,482	1
Expenditures:			
<u>Transportation and Street Repair:</u>			
Public Works:			
Personal Services	492,171	428,948	63,223
Contractual Services	146,197	127,417	18,780
Supplies and Materials	174,831	152,373	22,458
Other	655	571	84
Total Public Works	813,854	709,309	104,545
Total Transportation and Street Repair	813,854	709,309	104,545
Total Expenditures	813,854	709,309	104,545
Excess of Revenues Over (Under) Expenditures	658,627	763,173	104,546
Other Financing Sources (Uses):			
Transfers (Out)	(378,639)	(330,000)	48,639
Total Other Financing Sources (Uses)	(378,639)	(330,000)	48,639
Net Change in Fund Balance	279,988	433,173	153,185
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	3,066,471	3,066,471	0
Fund Balance End of Year	\$3,346,459	\$3,499,644	\$153,185

City of Huber Heights, Ohio
 Schedule of Revenues, Expenditures by Budget Center and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2011

	Lighting Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Special Assessments	\$386,981	\$386,981	\$0
Total Revenues	386,981	386,981	0
Expenditures:			
Current:			
Public Safety			
General Lighting:			
Personal Services	8,879	8,538	341
Contractual Services	399,775	384,417	15,358
Total General Lighting	408,654	392,955	15,699
Total Public Safety	408,654	392,955	15,699
Total Expenditures	408,654	392,955	15,699
Net Change in Fund Balance	(21,673)	(5,974)	15,699
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	542,172	542,172	0
Fund Balance End of Year	\$520,499	\$536,198	\$15,699

City of Huber Heights, Ohio
 Schedule of Revenues, Expenditures by Budget Center and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2011

	Drug Law Enforcement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Fines, Licenses & Permits	\$855	\$855	\$0
Total Revenues	855	855	0
Expenditures:			
Current:			
Public Safety:			
Police:			
Contractual Services	0	0	0
Total Public Safety	0	0	0
Total Expenditures	6,122	0	6,122
Net Change in Fund Balance	(5,267)	855	6,122
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	5,732	5,732	0
Fund Balance End of Year	\$465	\$6,587	\$6,122

City of Huber Heights, Ohio
Schedule of Revenues, Expenditures by Budget Center and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2011

	Law Enforcement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Fines, Licenses & Permits	\$9,235	\$9,235	\$0
Other Revenues	5,638	5,638	0
Total Revenues	14,873	14,873	0
Expenditures:			
Current:			
Public Safety:			
Police:			
Contractual Services	1,682	718	964
Total Police Department	1,682	718	964
Total Public Safety	1,682	718	964
Capital Outlay	44,477	18,984	25,493
Total Expenditures	46,159	19,702	26,457
Net Change in Fund Balance	(31,286)	(4,829)	26,457
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	31,686	31,686	0
Fund Balance End of Year	\$400	\$26,857	\$26,457

City of Huber Heights, Ohio
Schedule of Revenues, Expenditures by Budget Center and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2011

	State Highway Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$116,477	\$116,477	\$0
Investment Earnings	2,681	2,681	0
Other Revenues	17,635	17,635	0
Total Revenues	136,793	136,793	0
Expenditures:			
Current:			
<u>Transportation and Street Repair</u>			
Public Works:			
Contractual Services	11,751	10,054	1,697
Supplies and Materials	32,614	27,903	4,711
Total Public Works	44,365	37,957	6,408
Total Transportation and Street Repair	44,365	37,957	6,408
Capital Outlay	57,740	49,400	8,340
Total Expenditures	102,105	87,357	14,748
Net Change in Fund Balance	34,688	49,436	14,748
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	332,705	332,705	0
Fund Balance End of Year	\$367,393	\$382,141	\$14,748

City of Huber Heights, Ohio
 Schedule of Revenues, Expenditures by Budget Center and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2011

	County Motor Vehicle Permissive Tax Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$85,996	\$85,996	\$0
Total Revenues	85,996	85,996	0
Expenditures:			
Transportation and Street Repair:			
County Motor Vehicle Permissive Tax:			
Contractual Services	0	0	0
Total County Motor Vehicle Permissive Tax	0	0	0
Total Transportation and Street Repair	0	0	0
Total Expenditures	0	0	0
Excess of Revenues Over (Under) Expenditures	85,996	85,996	0
Other financing sources (uses):			
Transfers (Out)	(78,000)	(78,000)	0
Total Other Financing Sources (Uses)	(78,000)	(78,000)	0
Net Change in Fund Balance	7,996	7,996	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	83,418	83,418	0
Fund Balance End of Year	\$91,414	\$91,414	\$0

City of Huber Heights, Ohio
 Schedule of Revenues, Expenditures by Budget Center and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2011

	City Motor Vehicle Permissive Tax Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$171,277	\$171,277	\$0
Total Revenues	171,277	171,277	0
Expenditures:			
Transportation and Street Repair:			
City Motor Vehicle Permissive Tax:			
Contractual Services	0	0	0
Total City Motor Vehicle Permissive Tax	0	0	0
Total Transportation and Street Repair	0	0	0
Total Expenditures	0	0	0
Excess of Revenues Over (Under) Expenditures	171,277	171,277	0
Other Financing Sources (Uses):			
Transfers (Out)	(137,000)	(137,000)	0
Total Other Financing Sources (Uses)	(137,000)	(137,000)	0
Net Change in Fund Balance	34,277	34,277	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	183,843	183,843	0
Fund Balance End of Year	<u>\$218,120</u>	<u>\$218,120</u>	<u>\$0</u>

City of Huber Heights, Ohio
Schedule of Revenues, Expenditures by Budget Center and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2011

	Community Development Block Grant Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$26,835	\$15,801	(\$11,034)
Total Revenues	26,835	15,801	(11,034)
Expenditures:			
Current:			
Capital Outlay	45,000	37,885	7,115
Total Expenditures	45,000	37,885	7,115
Excess of Revenues Over (Under) Expenditures	(18,165)	(22,084)	(3,919)
Other financing sources (uses):			
Advances In	33,966	20,000	(13,966)
Total Other Financing Sources (Uses)	33,966	20,000	(13,966)
Net Change in Fund Balance	15,801	(2,084)	(17,885)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	25,000	25,000	0
Fund Balance End of Year	\$40,801	\$22,916	(\$17,885)

City of Huber Heights, Ohio
Schedule of Revenues, Expenditures by Budget Center and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2011

	Local Street Operating Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Taxes	\$1,481,239	\$1,481,239	\$0
Charges for Services	3,128	3,128	0
Other Revenues	6,295	6,295	0
Total Revenues	1,490,662	1,490,662	0
Expenditures:			
Current:			
Transportation and Street Repair:			
Public Works:			
Personal Services	870,446	744,233	126,213
Contractual Services	51,663	44,172	7,491
Supplies and Materials	264,488	226,138	38,350
Other	456	390	66
Total Public Works	1,187,053	1,014,933	172,120
Total Transportation and Street Repair	1,187,053	1,014,933	172,120
Capital Outlay	163,842	140,085	23,757
Total Expenditures	1,350,895	1,155,018	195,877
Excess of Revenues Over (Under) Expenditures	139,767	335,644	195,877
Other financing sources (uses):			
Transfers (Out)	(237,543)	(203,100)	34,443
Total Other Financing Sources (Uses)	(237,543)	(203,100)	34,443
Net Change in Fund Balance	(97,776)	132,544	230,320
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	3,022,418	3,022,418	0
Fund Balance End of Year	\$2,924,642	\$3,154,962	\$230,320

City of Huber Heights, Ohio
 Schedule of Revenues, Expenditures by Budget Center and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2011

	Byrne Memorial Grant Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$10,837	\$10,837	\$0
Investment Earnings	209	209	0
Total Revenues	11,046	11,046	0
Expenditures:			
Public Safety:			
Police:			
Contractual Services	0	0	0
Total Police	0	0	0
Capital Outlay	45,886	40,128	5,758
Total Expenditures	45,886	40,128	5,758
Net Change in Fund Balance	(34,840)	(29,082)	5,758
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	34,842	34,842	0
Fund Balance End of Year	\$2	\$5,760	\$5,758

City of Huber Heights, Ohio
Schedule of Revenues, Expenditures by Budget Center and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2011

	Montgomery County TIF Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Revenue in Lieu of Taxes	\$1,241,289	\$1,241,289	\$0
Total Revenues	1,241,289	1,241,289	0
Expenditures:			
General Government:			
Accounting:			
Contractual Services	132,129	128,494	3,635
Other	62,271	60,558	1,713
Total Accounting	194,400	189,052	5,348
Total General Government	194,400	189,052	5,348
Total Expenditures	194,400	189,052	5,348
Excess of Revenues Over (Under) Expenditures	1,046,889	1,052,237	5,348
Other Financing Sources (Uses):			
Advances In	1,103,000	1,103,000	0
Transfers (Out)	(2,428,246)	(2,361,446)	66,800
Total Other Financing Sources (Uses)	(1,325,246)	(1,258,446)	66,800
Net Change in Fund Balance	(278,357)	(206,209)	72,148
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	1,872,817	1,872,817	0
Fund Balance End of Year	\$1,594,460	\$1,666,608	\$72,148

City of Huber Heights, Ohio
Schedule of Revenues, Expenditures by Budget Center and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2011

	Miami County TIF Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$9,340	\$9,340	\$0
Revenue in Lieu of Taxes	71,783	71,783	0
Total Revenues	81,123	81,123	0
Expenditures:			
Current:			
General Government:			
Accounting:			
Contractual Services	6,210	6,030	180
Total Expenditures	6,210	6,030	180
Excess of Revenues Over (Under) Expenditures	74,913	75,093	180
Other financing sources (uses):			
Advances In	477,000	477,000	0
Transfers (Out)	(475,790)	(462,000)	13,790
Total Other Financing Sources (Uses)	1,210	15,000	13,790
Net Change in Fund Balance	76,123	90,093	13,970
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	125,433	125,433	0
Fund Balance End of Year	\$201,556	\$215,526	\$13,970

City of Huber Heights, Ohio
 Schedule of Revenues, Expenditures by Budget Center and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2011

	Law Enforcement Assistance Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Charges for Services	\$0	\$0	\$0
Total Revenues	0	0	0
Expenditures:			
Public Safety:			
Police:			
Contractual Services	915	400	515
Total Expenditures	915	400	515
Net Change in Fund Balance	(915)	(400)	515
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	915	915	0
Fund Balance End of Year	\$0	\$515	\$515

City of Huber Heights, Ohio
 Schedule of Revenues, Expenditures by Budget Center and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2011

	FEMA Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$22,592	\$22,592	\$0
Total Revenues	22,592	22,592	0
Expenditures:			
General Government			
FEMA:			
Contractual Services	0	0	0
Total Expenditures	0	0	0
Excess of Revenues Over (Under) Expenditures	22,592	22,592	0
Other financing sources (uses):			
Transfers (Out)	(22,592)	(22,592)	0
Total Other Financing Sources (Uses)	(22,592)	(22,592)	0
Net Change in Fund Balance	0	0	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	0	0	0
Fund Balance End of Year	\$0	\$0	\$0

City of Huber Heights, Ohio
 Schedule of Revenues, Expenditures by Budget Center and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2011

	Natureworks Grant Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$0	\$0	\$0
Total Revenues	0	0	0
Expenditures:			
Current:			
Capital Outlay	25,760	0	25,760
Total Expenditures	25,760	0	25,760
Excess of Revenues Over (Under) Expenditures	(25,760)	0	25,760
Other Financing Sources (Uses):			
Advances In	19,320	19,320	0
Transfers In	6,440	6,440	0
Total Other Financing Sources (Uses)	25,760	25,760	0
Net Change in Fund Balance	0	25,760	25,760
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	0	0	0
Fund Balance End of Year	\$0	\$25,760	\$25,760

NON-MAJOR DEBT SERVICE FUND

Fund Descriptions

General Obligation Bond Retirement – To account for various revenues collected for the payment of general obligation bonded debt.

City of Huber Heights, Ohio
 Schedule of Revenues, Expenditures by Budget Center and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2011

	General Obligation Bond Retirement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Charges for Services	\$138,020	\$138,020	\$0
Total Revenues	138,020	138,020	0
Expenditures:			
Current:			
General Government:			
Accounting:			
Contractual Services	0	0	0
Total Accounting	0	0	0
Total General Government	0	0	0
Debt Service:			
Principal Retirement	867,013	865,000	2,013
Interest and Fiscal Charges	582,159	580,808	1,351
Total Expenditures	1,449,172	1,445,808	3,364
Excess of Revenues Over (Under) Expenditures	(1,311,152)	(1,307,788)	3,364
Other Financing Sources (Uses):			
Transfers In	951,550	951,550	0
Total Other Financing Sources (Uses)	951,550	951,550	0
Net Change in Fund Balance	(359,602)	(356,238)	3,364
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	504,891	504,891	0
Fund Balance End of Year	\$145,289	\$148,653	\$3,364

NON-MAJOR CAPITAL PROJECTS FUNDS

Fund Descriptions

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

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.

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.

Local Street Capital Improvement – To account for income tax revenues collected for reconstruction and maintenance of the City's interior streets.

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.

Carriage Trails Infrastructure – To account for the issuance of bond anticipation note for the construction of infrastructure in the Carriage Trails development.

Energy Conservation Grant – To account for federal monies received to improve the energy efficiency of lighting and equipment.

City of Huber Heights, Ohio
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2011

	Issue II Grant	Economic Development/ Government Equity Improvement	Fire Capital Improvement	Local Street Capital Improvement
Assets:				
Equity in Pooled Cash and Investments	\$322,580	\$0	\$1,630,646	\$2,428,442
Restricted Cash and Investments	0	0	0	27,734
Receivables:				
Taxes	0	0	142,449	258,997
Special Assessments	155,564	0	0	0
Inventory	0	0	0	770
Total Assets	478,144	0	1,773,095	2,715,943
Liabilities and Fund Balances:				
Liabilities:				
Accounts Payable	29,872	0	564	839
Retainage Payable	0	0	0	27,734
Contracts Payable	0	0	0	19,913
Interfund Payable	775,000	0	0	0
Deferred Revenue	155,564	0	75,343	136,986
Total Liabilities	960,436	0	75,907	185,472
Fund Balances:				
Nonspendable	0	0	0	770
Restricted	0	0	1,697,188	2,529,701
Unassigned	(482,292)	0	0	0
Total Fund Balances	(482,292)	0	1,697,188	2,530,471
Total Liabilities and Fund Balances	\$478,144	\$0	\$1,773,095	\$2,715,943

Federal Equity Sharing	Carriage Trails Infrastructure	Energy Conservation Grant	Total Nonmajor Capital Projects Funds
\$138,927	\$533,467	\$15,455	\$5,069,517
0	0	0	27,734
0	0	0	401,446
0	0	0	155,564
0	0	0	770
<u>138,927</u>	<u>533,467</u>	<u>15,455</u>	<u>5,655,031</u>
0	0	0	31,275
0	0	0	27,734
0	46,108	0	66,021
0	0	0	775,000
0	0	0	367,893
<u>0</u>	<u>46,108</u>	<u>0</u>	<u>1,267,923</u>
0	0	0	770
138,927	487,359	15,455	4,868,630
0	0	0	(482,292)
<u>138,927</u>	<u>487,359</u>	<u>15,455</u>	<u>4,387,108</u>
<u>\$138,927</u>	<u>\$533,467</u>	<u>\$15,455</u>	<u>\$5,655,031</u>

City of Huber Heights, Ohio
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Nonmajor Capital Projects Funds
For the Fiscal Year Ended December 31, 2011

	Issue II Grant	Economic Development/ Government Equity Improvement	Fire Capital Improvement	Local Street Capital Improvement
Revenues:				
Taxes	\$0	\$0	\$729,230	\$1,258,866
Fines, Licenses and Permits	0	0	0	0
Investment Earnings	\$0	\$0	\$0	\$0
Intergovernmental	750,000	100,000	0	0
Special Assessments	6,464	0	0	0
Other Revenues	0	0	65	118
Total Revenues	756,464	100,000	729,295	1,258,984
Expenditures:				
Current:				
Public Safety	0	0	0	0
Capital Outlay	1,281,533	100,000	102,559	1,361,831
Debt Service:				
Principal Retirement	0	0	118,933	0
Interest and Fiscal Charges	0	0	29,822	0
Total Expenditures	1,281,533	100,000	251,314	1,361,831
Excess of Revenues Over (Under) Expenditures	(525,069)	0	477,981	(102,847)
Other Financing Sources (Uses):				
Transfers (Out)	0	0	(175,000)	0
Total Other Financing Sources (Uses)	0	0	(175,000)	0
Net Change in Fund Balance	(525,069)	0	302,981	(102,847)
Fund Balance Beginning of Year	42,777	0	1,394,207	2,633,318
Fund Balance End of Year	(\$482,292)	\$0	\$1,697,188	\$2,530,471

Federal Equity Sharing	Carriage Trails Infrastructure	Energy Conservation Grant	Total Nonmajor Capital Projects Funds
\$0	\$0	\$0	\$1,988,096
26,964	0	0	26,964
\$1,313	\$2,758	\$583	\$4,654
0	0	0	850,000
0	0	0	6,464
0	0	2,530	2,713
<u>28,277</u>	<u>2,758</u>	<u>3,113</u>	<u>2,878,891</u>
3,560	0	0	3,560
79,770	1,385,227	142,173	4,453,093
0	0	0	118,933
0	0	0	29,822
<u>83,330</u>	<u>1,385,227</u>	<u>142,173</u>	<u>4,605,408</u>
<u>(55,053)</u>	<u>(1,382,469)</u>	<u>(139,060)</u>	<u>(1,726,517)</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>(175,000)</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>(175,000)</u>
<u>(55,053)</u>	<u>(1,382,469)</u>	<u>(139,060)</u>	<u>(1,901,517)</u>
<u>193,980</u>	<u>1,869,828</u>	<u>154,515</u>	<u>6,288,625</u>
<u>\$138,927</u>	<u>\$487,359</u>	<u>\$15,455</u>	<u>\$4,387,108</u>

City of Huber Heights, Ohio
Schedule of Revenues, Expenditures by Budget Center and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2011

	Issue II Grant Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$1,836,998	\$750,000	(\$1,086,998)
Special Assessments	15,832	6,464	(9,368)
Total Revenues	<u>1,852,830</u>	<u>756,464</u>	<u>(1,096,366)</u>
Expenditures:			
Current:			
Capital Outlay	<u>1,638,163</u>	<u>1,450,030</u>	<u>188,133</u>
Total Expenditures	<u>1,638,163</u>	<u>1,450,030</u>	<u>188,133</u>
Excess of Revenues Over (Under) Expenditures	<u>214,667</u>	<u>(693,566)</u>	<u>(908,233)</u>
Other Financing Sources (Uses):			
Advances In	428,633	175,000	(253,633)
Advances (Out)	<u>(847,308)</u>	<u>(750,000)</u>	<u>97,308</u>
Total Other Financing Sources (Uses)	<u>(418,675)</u>	<u>(575,000)</u>	<u>(156,325)</u>
Net Change in Fund Balance	(204,008)	(1,268,566)	(1,064,558)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>1,560,472</u>	<u>1,560,472</u>	<u>0</u>
Fund Balance End of Year	<u>\$1,356,464</u>	<u>\$291,906</u>	<u>(\$1,064,558)</u>

City of Huber Heights, Ohio
 Schedule of Revenues, Expenditures by Budget Center and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2011

	Economic Development/ Government Equity Improvement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$100,000	\$100,000	\$0
Total Revenues	100,000	100,000	0
Expenditures:			
Current:			
Economic Development:			
Capital Outlay	100,000	100,000	0
Total Expenditures	100,000	100,000	0
Excess of Revenues Over (Under) Expenditures	0	0	0
Other Financing Sources (Uses):			
Advances In	100,000	100,000	0
Advances (Out)	(100,000)	(100,000)	0
Total Other Financing Sources (Uses)	0	0	0
Net Change in Fund Balance	0	0	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	0	0	0
Fund Balance End of Year	\$0	\$0	\$0

City of Huber Heights, Ohio
Schedule of Revenues, Expenditures by Budget Center and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2011

	Fire Capital Improvement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Taxes	\$691,998	\$691,999	\$1
Other Revenues	65	65	0
Total Revenues	<u>692,063</u>	<u>692,064</u>	<u>1</u>
Expenditures:			
Current:			
Municipal Building and Grounds:			
Capital Outlay	114,609	105,417	9,192
Debt Service:			
Principal Retirement	129,303	118,933	10,370
Interest and Fiscal Charges	32,422	29,822	2,600
Total Expenditures	<u>276,334</u>	<u>254,172</u>	<u>22,162</u>
Excess of Revenues Over (Under) Expenditures	<u>415,729</u>	<u>437,892</u>	<u>22,163</u>
Other Financing Sources (Uses):			
Transfers (Out)	(190,259)	(175,000)	15,259
Total Other Financing Sources (Uses)	<u>(190,259)</u>	<u>(175,000)</u>	<u>15,259</u>
Net Change in Fund Balance	225,470	262,892	37,422
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>1,363,516</u>	<u>1,363,516</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$1,588,986</u></u>	<u><u>\$1,626,408</u></u>	<u><u>\$37,422</u></u>

City of Huber Heights, Ohio
Schedule of Revenues, Expenditures by Budget Center and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2011

	Local Street Capital Improvement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Taxes	\$1,184,790	\$1,184,790	\$0
Other Revenues	118	118	0
Total Revenues	<u>1,184,908</u>	<u>1,184,908</u>	<u>0</u>
Expenditures:			
Current:			
Capital Outlay	<u>1,720,586</u>	<u>1,438,420</u>	<u>282,166</u>
Total Expenditures	<u>1,720,586</u>	<u>1,438,420</u>	<u>282,166</u>
Excess of Revenues Over (Under) Expenditures	<u>(535,678)</u>	<u>(253,512)</u>	<u>282,166</u>
Other Financing Sources (Uses):			
Transfers In	<u>0</u>	<u>0</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	(535,678)	(253,512)	282,166
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>2,602,683</u>	<u>2,602,683</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$2,067,005</u></u>	<u><u>\$2,349,171</u></u>	<u><u>\$282,166</u></u>

City of Huber Heights, Ohio
Schedule of Revenues, Expenditures by Budget Center and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2011

	Federal Equity Sharing Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Fines, Licenses & Permits	\$30,956	\$30,956	\$0
Investment Earnings	1,404	1,404	0
Total Revenues	32,360	32,360	0
Expenditures:			
Current:			
<u>Public Safety</u>			
Police:			
Contractual Services	9,491	3,560	5,931
Total Police Department	9,491	3,560	5,931
Total Public Safety	9,491	3,560	5,931
Capital Outlay	212,658	79,770	132,888
Total Expenditures	222,149	83,330	138,819
Net Change in Fund Balance	(189,789)	(50,970)	138,819
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	189,832	189,832	0
Fund Balance End of Year	\$43	\$138,862	\$138,819

City of Huber Heights, Ohio
 Schedule of Revenues, Expenditures by Budget Center and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2011

	Carriage Trails Infrastructure Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Investment Earnings	\$3,383	\$2,995	(\$388)
Total Revenues	3,383	2,995	(388)
Expenditures:			
Current:			
Capital Outlay	1,872,766	1,846,226	26,540
Total Expenditures	1,872,766	1,846,226	26,540
Net Change in Fund Balance	(1,869,383)	(1,843,231)	26,152
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	1,869,453	1,869,453	0
Fund Balance End of Year	\$70	\$26,222	\$26,152

City of Huber Heights, Ohio
 Schedule of Revenues, Expenditures by Budget Center and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2011

	Energy Conservation Grant Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Investment Earnings	\$679	\$679	\$0
Other Revenues	2,530	2,530	0
Total Revenues	3,209	3,209	0
Expenditures:			
Current:			
Capital Outlay	154,388	142,173	12,215
Total Expenditures	154,388	142,173	12,215
Net Change in Fund Balance	(151,179)	(138,964)	12,215
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	154,388	154,388	0
Fund Balance End of Year	\$3,209	\$15,424	\$12,215

OTHER GENERAL FUNDS

With the implementation of GASB Statement No. 54, certain funds that the City prepares legally adopted budgets for no longer meet the definition to be reported as Special Revenue funds and have been included with the General Fund in the governmental fund financial statements. The City has only presented the budget schedules for these funds.

Fund Descriptions

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.

Unclaimed Monies –To account for payments made to vendors and individuals that were never cashed. Funds are held in this fund until escheatment with the State of Ohio.

Cash Surety –To account for funds used to hold deposits on zoning or construction permits. When the project is finished the city returns the funds.

City of Huber Heights, Ohio
Schedule of Revenues, Expenditures by Budget Center and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2011

	Parks and Recreation Fund (1)		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Charges for Services	29,564	\$22,750	(6,814)
Other Revenues	10,774	8,291	(2,483)
Total Revenues	40,338	31,041	(9,297)
Expenditures:			
Current:			
<u>Leisure Time Activities</u>			
Thomas Cloud Park:			
Personal Services	126,075	101,578	24,497
Contractual Services	110,301	88,869	21,432
Supplies and Materials	2,172	1,750	422
Other	372	300	72
Total Thomas Cloud Park:	238,920	192,497	46,423
Senior Citizens Center:			
Personal Services	43,621	35,145	8,476
Contractual Services	39,803	32,069	7,734
Supplies and Materials	465	375	90
Total Senior Citizens Center:	83,889	67,589	16,300
Parks and Recreation:			
Contractual Services	195,854	157,798	38,056
Supplies and Materials	351	283	68
Total Parks and Recreation:	196,205	158,081	38,124
Total Leisure Time Activities	519,014	418,167	100,847
Total Expenditures	519,014	418,167	100,847
Excess of Revenues Over (Under) Expenditures	(478,676)	(387,126)	91,550
Other Financing Sources (Uses):			
Transfers In	324,878	250,000	(74,878)
Total Other Financing Sources (Uses)	324,878	250,000	(74,878)
Net Change in Fund Balance	(153,798)	(137,126)	16,672
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	154,432	154,432	0
Fund Balance End of Year	\$634	\$17,306	\$16,672

(1) This fund is combined with the General fund in GAAP Statements.

City of Huber Heights, Ohio
 Schedule of Revenues, Expenditures by Budget Center and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2011

	Unclaimed Monies Fund (1)		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Other Revenues	\$1,475	\$1,475	\$0
Total Revenues	1,475	1,475	0
Expenditures:			
Current:			
<u>General Government</u>			
Unclaimed Monies			
Other	10,398	925	9,473
Total Unclaimed Monies	10,398	925	9,473
Total General Government	10,398	925	9,473
Total Expenditures	10,398	925	9,473
Net Change in Fund Balance	(8,923)	550	9,473
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	8,923	8,923	0
Fund Balance End of Year	\$0	\$9,473	\$9,473

(1) This fund is combined with the General fund in GAAP Statements.

City of Huber Heights, Ohio
 Schedule of Revenues, Expenditures by Budget Center and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2011

	Cash Surety Fund (1)		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Other Revenues	\$46,500	\$46,500	\$0
Total Revenues	46,500	46,500	0
Expenditures:			
Current:			
Capital Outlay	85,694	58,950	26,744
Total Expenditures	85,694	58,950	26,744
Net Change in Fund Balance	(39,194)	(12,450)	26,744
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	39,194	39,194	0
Fund Balance End of Year	\$0	\$26,744	\$26,744

(1) This fund is combined with the General fund in GAAP Statements.

STATISTICAL SECTION



STATISTICAL SECTION

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

Contents

Financial Trends: These schedules contain trend information to help the reader understand how the City's financial position has changed over time.

Revenue Capacity: These schedules contain information to help the reader understand and assess the City's most significant local revenue source, the income tax.

Debt Capacity: These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Economic and Demographic Information: These schedules offer economic and demographic indicators to help the reader understand the environment within which the City's financial activities take place and to provide information that facilitates comparisons of financial information over time and among governments.

Operating Information: These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The City implemented GASB Statement 34 in fiscal year 2002; schedules presenting government-wide information include information beginning in that fiscal year.

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

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Governmental Activities										
Invested in Capital Assets, Net of Related Debt	\$86,890,368	\$82,489,004	\$77,964,205	\$78,346,206	\$74,639,351	\$72,199,773	\$71,404,045	\$70,020,847	\$68,594,710	\$66,173,495
Restricted for:										
Public Safety	0	0	0	0	5,045,978	5,817,840	4,540,097	3,668,064	3,900,741	1,208,203
Leisure Time Activities	0	0	0	0	83,811	76,994	95,075	138,140	151,688	0
Community Development	0	0	0	0	0	0	0	0	0	2,296
Transportation and Street Repair	0	0	0	0	3,677,405	4,735,229	5,855,071	7,161,885	7,713,636	9,553,181
Debt Service	5,531,382	5,922,966	14,263,041	12,673,044	13,209,353	16,445,526	19,749,781	18,740,980	16,871,758	16,096,576
Capital Improvements	632,385	1,403,234	2,042,658	1,940,327	3,236,059	8,505,820	9,615,839	4,143,157	4,198,838	636,146
Fire	1,317,846	647,145	1,154,588	767,251	0	0	0	0	0	0
Police	2,694,463	2,644,642	2,778,383	2,709,669	0	0	0	0	0	0
TIF Monies	0	0	0	0	0	0	0	0	0	0
Other Purposes	3,584,532	2,995,779	3,161,672	3,903,073	0	0	0	0	0	648,747
Unrestricted	8,180,399	7,911,615	6,097,773	6,038,189	8,755,584	10,651,869	11,662,088	11,773,536	12,559,614	12,201
Total Governmental Activities Net Assets	108,831,375	104,014,385	107,462,320	106,377,759	108,647,541	118,433,051	122,921,996	115,646,609	113,990,985	109,725,738
Business-Type Activities										
Invested in Capital Assets, Net of Related Debt	11,192,757	17,231,186	20,409,795	23,536,526	25,740,874	29,669,495	31,058,024	34,588,393	39,089,126	41,805,192
Restricted for:										
Revenue Bonds Improvement and Replacement	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000
Revenue Bonds Current Debt Service	1,140,000	1,140,000	1,140,000	1,140,000	1,140,000	1,140,000	1,140,000	1,140,000	1,140,000	1,140,000
Unrestricted	16,461,034	15,650,819	16,739,783	20,067,560	23,415,841	25,050,436	27,336,416	27,743,085	28,697,934	28,326,622
Total Business-Type Activities Net Assets	28,853,791	34,082,005	38,349,578	44,804,086	50,356,715	55,919,931	59,594,440	63,531,478	68,987,060	71,331,814
Total	98,083,125	99,720,190	98,374,000	101,882,732	100,380,225	101,869,268	102,462,069	104,609,240	107,683,836	107,978,687
Restricted for:										
Security of Persons and Property	0	0	0	0	5,045,978	5,817,840	4,540,097	3,668,064	3,900,741	1,208,203
Leisure Time Activities	0	0	0	0	83,811	76,994	95,075	138,140	151,688	0
Community Development	0	0	0	0	0	0	0	0	0	2,296
Transportation	0	0	0	0	3,677,405	4,735,229	5,855,071	7,161,885	7,713,636	9,553,181
TIF Monies	0	0	0	0	0	0	0	0	0	648,747
Fire	1,317,846	647,145	1,154,588	767,251	0	0	0	0	0	0
Police	2,694,463	2,644,642	2,778,383	2,709,669	0	0	0	0	0	0
Other Purposes	0	0	0	0	0	0	0	0	0	0
Debt Service	5,531,382	5,922,966	14,263,041	12,673,044	13,209,353	16,445,526	19,749,781	18,740,980	16,871,758	16,096,576
Capital Improvements	632,385	1,403,234	2,042,658	1,940,327	3,236,059	8,505,820	9,615,839	4,143,157	4,198,838	636,146
Revenue Bonds Improvement and Replacement	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000
Revenue Bonds Current Debt Service	1,140,000	1,140,000	1,140,000	1,140,000	1,140,000	1,140,000	1,140,000	1,140,000	1,140,000	1,140,000
Unrestricted	24,641,433	23,562,434	22,837,556	26,105,749	32,171,425	35,702,305	38,998,504	39,516,621	41,257,548	43,921,515
Total Net Assets	\$134,100,634	\$135,100,611	\$142,650,226	\$147,278,772	\$159,004,256	\$174,352,982	\$182,516,436	\$179,178,087	\$182,978,045	\$181,057,552

Source: City Records

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

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Expenses										
Governmental Activities										
Security of Persons and Property:										
Fire	\$5,290,078	\$4,992,739	\$5,230,564	\$5,315,835	\$5,471,252	\$5,972,106	\$6,030,286	\$6,157,894	\$6,362,321	
Police	6,004,693	6,079,238	5,947,297	6,003,211	6,149,214	6,457,403	6,439,583	6,900,682	6,726,997	
Other	1,173,945	1,160,082	1,156,715	1,548,125	1,248,539	1,328,469	1,325,128	1,344,250	1,421,356	\$15,041,541
Public Safety										
Public Health	27,142	0	0	0	0	0	0	0	0	0
Leisure Time Activities	310,037	252,634	206,014	360,125	288,143	301,582	281,663	491,037	703,096	965,499
Community Environment	915,387	956,321	973,583	806,281	773,937	964,372	904,767	915,412	1,090,885	1,081,722
Transportation	6,145,863	6,377,671	7,253,184	6,317,991	6,195,345	6,708,347	5,285,196	7,267,279	7,355,768	7,339,714
General Government	2,822,899	3,139,385	3,072,859	3,138,228	3,243,868	3,224,162	5,817,955	3,723,292	3,422,259	3,333,985
Interest and Fiscal Charges	931,452	976,918	935,657	1,008,724	1,165,096	1,210,321	1,225,990	1,076,028	1,229,166	1,200,328
<i>Total Governmental Activities Expenses</i>	23,621,496	23,934,988	24,775,873	24,498,520	24,535,394	26,166,762	27,310,568	27,875,874	28,311,848	28,962,789
Business-Type Activities										
Sewer	2,569,255	2,522,087	2,608,912	2,724,278	2,788,546	2,998,164	2,847,828	2,894,897	3,123,435	2,872,239
Water	2,654,056	2,505,512	2,918,082	2,946,993	3,285,584	3,706,749	3,780,651	3,786,767	3,968,055	4,054,058
Stormwater	456,037	324,982	329,689	525,792	416,140	446,866	575,345	503,871	498,409	524,050
<i>Total Business-Type Activities Expenses</i>	5,679,348	5,352,581	5,856,683	6,197,063	6,490,270	7,151,779	7,203,824	7,185,535	7,589,899	7,450,347
<i>Total Expenses</i>	\$29,300,844	\$29,287,569	\$30,632,556	\$30,695,583	\$31,025,664	\$33,318,541	\$34,514,392	\$35,061,409	\$35,901,747	\$36,413,136

(Continued)

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

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Program Revenues										
Governmental Activities										
Charges for Services:										
Security of Persons and Property:										
Fire	\$76,846	\$35,872	\$66,328	\$11,001	\$1,005,362	\$897,903	\$967,998	\$1,188,746	\$1,100,635	
Police	101,577	122,924	208,370	130,129	138,383	116,690	119,759	110,387	7,751	
Other	188,508	689,899	1,292,233	1,327,579	377,849	441,911	376,637	442,359	466,552	\$1,412,157
Public Safety										10,131
Leisure Time Activities	59,846	40,891	68,997	9,205	298,255	2,516	0	520	35,365	115,292
Community Environment	141,727	148,550	194,278	167,297	180,027	230,834	45,627	63,102	55,793	3,587
Transportation	773,510	368,111	279,077	480,537	142,212	217,508	155,350	110,433	107,890	950,148
General Government	180,508	285,582	241,407	236,476	206,214	159,177	5,373,742	346,902	392,888	2,731,871
Operating Grants, Contributions and Interest	1,663,098	1,402,598	1,640,456	2,007,051	1,856,400	2,436,414	2,248,676	2,024,950	2,180,126	1,134,284
Capital Grants, Contributions and Interest	509,504	2,520,528	9,398,793	1,381,583	1,400,487	3,084,457	634,125	2,678,762	1,631,697	
<i>Total Governmental Activities Program Revenues</i>	3,695,124	5,614,955	13,389,939	5,750,858	5,605,189	7,587,410	9,921,914	6,966,161	5,978,697	6,357,470
Business-Type Activities										
Charges for Services										
Sewer	2,796,505	3,387,517	3,863,808	4,154,008	4,582,008	3,876,270	3,891,543	3,807,237	3,953,453	3,842,813
Water	2,642,578	3,156,316	3,691,848	4,247,856	4,579,328	4,679,429	4,491,441	4,440,398	4,640,142	4,460,189
Stormwater	247,270	521,909	623,339	544,584	545,561	550,208	557,733	554,521	573,921	564,293
Capital Grants, Contributions and Interest	273,055	0	95,151	2,215,636	1,714,450	2,908,631	858,887	792,692	505,918	480,183
<i>Total Business-Type Activities Program Revenues</i>	5,959,408	7,065,742	8,274,146	11,162,084	11,421,347	12,014,538	9,799,604	9,594,848	9,673,434	9,347,478
<i>Total Program Revenues</i>	9,654,532	12,680,697	21,664,085	16,912,942	17,026,536	19,601,948	19,721,518	16,561,009	15,652,131	15,704,948
Net (Expense)/Revenue										
Governmental Activities	(19,926,372)	(18,320,033)	(11,385,934)	(18,747,662)	(18,930,205)	(18,579,352)	(17,388,654)	(20,909,713)	(22,333,151)	(22,605,319)
Business-Type Activities	280,060	1,713,161	2,417,463	4,965,021	4,931,077	4,862,759	2,595,780	2,409,313	2,083,535	1,897,131
Total Net Expense	(\$19,646,312)	(\$16,606,872)	(\$8,968,471)	(\$13,782,641)	(\$13,999,128)	(\$13,716,593)	(\$14,792,874)	(\$18,500,400)	(\$20,249,616)	(\$20,708,188)

(Continued)

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

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Revenues and Other Changes in Net Assets										
Governmental Activities										
Property and Other Taxes Levied for:										
Income Taxes										\$ 10,574,643
General Purposes	\$1,230,652	\$1,182,826	\$1,184,169	\$1,265,517	\$1,393,195	\$1,415,264	\$1,380,249	\$1,403,928	\$1,502,480	1,204,222
Special Revenue Purposes										2,222,165
Fire	1,004,769	1,023,456	992,635	981,949	1,067,074	1,093,238	1,021,259	1,007,494	1,026,031	
Police	1,205,736	1,218,424	1,198,875	1,172,794	1,277,889	1,311,813	1,222,133	1,205,346	1,228,282	
Debt Service	177,609	187,922	162,230	163,224	158,755	242,845	228,203	222,420	0	0
City Permissive Tax Levied for:										
Transportation	0	169,138	167,207	161,575	173,545	170,548	171,752	173,457	174,184	386,981
Municipal Income Taxes Levied for:										
General Purposes	5,787,873	5,168,328	5,411,453	6,104,671	6,842,970	6,883,155	6,860,166	5,317,935	5,075,051	
Fire Operating	0	0	0	0	392,186	468,577	462,035	465,416	443,519	
Police	2,547,969	2,393,829	2,363,127	2,720,037	3,545,945	3,701,293	3,300,433	3,930,334	3,536,027	
Local Street Operating	1,452,405	1,367,094	1,359,776	1,545,793	1,636,399	1,637,475	1,609,466	1,638,240	1,567,194	
Local Street Capital Improvement	1,199,861	1,132,304	1,131,166	1,314,396	1,301,952	1,308,244	1,295,021	1,310,556	1,248,374	
Fire Capital Equipment	356,846	338,798	356,421	366,543	672,609	697,512	1,031,539	457,510	699,160	
Payments in Lieu of Taxes	0	0	0	0	0	1,436,504	0	551,963	750,491	1,315,715
Grants and Entitlements not Restricted to Specific Programs	1,360,770	2,080,752	1,662,720	1,791,527	1,435,321	1,100,180	1,641,449	1,090,178	1,621,312	1,900,356
Gain on Sale of Capital Assets	0	0	0	0	0	0	0	0	0	0
Unrestricted Investment Earnings	319,967	224,674	273,764	550,710	1,001,068	1,437,877	1,317,748	290,205	254,864	
Increase/(Decrease) in Fair Value of Investments	7,158	(3,134)	(13,643)	(43,135)	0	0	0	0	0	163,750
Other	76,571	147,010	28,772	0	202,671	378,754	148,950	435,484	655,120	899,022
Transfers	(6,801,147)	(3,095,514)	(1,444,803)	(432,500)	98,410	224,585	187,196	(1,013,329)	(1,104,562)	(326,782)
Total Governmental Activities	\$9,927,039	\$13,535,907	\$14,833,869	\$17,663,101	\$21,199,989	\$23,507,864	\$21,877,599	\$18,487,137	\$18,677,527	\$18,340,072

(Continued)

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

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Revenues and Other Changes in Net Assets										
Business-Type Activities										
Gain on Sale of Capital Assets	\$0	\$0	\$0	\$0	\$873	\$0	\$0	\$790	\$0	\$0
Investment in Joint Venture	521,342	244,910	332,354	603,516	0	0	0	340,037	0	0
Unrestricted Investment Earnings	82,841	44,527	72,953	453,471	702,823	919,217	746,208	153,466	120,324	
Increase/(Decrease) in Fair Value of Investments	(7,970)	0	0	0	0	0	0	0	0	\$91,506
Other	0	0	0	0	16,266	5,825	519,717	20,103	2,144,766	29,335
Transfers	6,801,147	3,095,514	1,444,803	432,500	(98,410)	(224,585)	(187,196)	1,013,329	1,106,957	326,782
Total Business-Type Activities	7,397,360	3,384,951	1,850,110	1,489,487	621,552	700,457	1,078,729	1,527,725	3,372,047	447,623
Total General Revenues and Other Changes in Net Assets	20,933,267	18,218,820	19,513,211	22,689,476	24,129,416	22,578,056	19,565,866	20,205,252	3,372,047	18,787,695
Changes in Net Assets										
Governmental Activities	(4,784,126)	3,447,935	(1,084,561)	2,269,784	4,928,512	4,488,945	(2,422,576)	(3,655,624)	0	(4,265,247)
Business-Type Activities	9,110,521	5,802,414	6,815,131	6,420,564	5,484,311	3,296,237	3,488,042	3,611,260	3,372,047	2,344,754
Total Changes in Net Assets	\$4,326,395	\$9,250,349	\$5,730,570	\$8,690,348	\$10,412,823	\$7,785,182	\$1,065,466	(\$44,364)	\$3,372,047	(\$1,920,493)

Source: City Records

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

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011 (1)
General Fund										
Reserved	\$2,200,762	\$1,670,586	\$775,096	\$1,632,674	\$931,430	\$808,268	\$810,347	\$717,964	\$635,004	
Unreserved	6,093,953	5,632,055	4,734,737	3,989,157	5,885,503	7,475,911	9,357,832	8,491,763	6,385,113	
Nonspendable										\$37,016
Assigned										456,459
Unassigned										5,940,051
Total General Fund	8,294,715	7,302,641	5,509,833	5,621,831	6,816,933	8,284,179	10,168,179	9,209,727	7,020,117	6,433,526
All Other Governmental Funds										
Reserved	3,580,381	4,801,825	1,538,507	1,238,332	2,515,159	1,106,514	1,926,607	1,243,109	2,094,575	
Unreserved, reported in:										
Special Revenue Funds	5,162,177	4,568,880	5,453,228	5,892,439	6,719,602	9,599,144	9,879,414	10,203,968	12,115,704	
Debt Service Funds	1,366,000	1,467,197	2,300,338	1,342,517	1,432,551	1,440,382	1,548,114	1,176,998	1,145,726	
Capital Project Funds	(3,102,089)	(905,649)	744,215	79,346	(2,197,385)	2,792,105	3,811,925	2,305,176	6,040,401	
Nonspendable										308,771
Restricted										16,849,409
Assigned										230,437
Unassigned										(3,004,971)
Total All Other Governmental Funds	7,006,469	9,932,253	10,036,288	8,552,634	8,469,927	14,938,145	17,166,060	14,929,251	21,396,406	
Total Governmental Funds	\$15,301,184	\$17,234,894	\$15,546,121	\$14,174,465	\$15,286,860	\$23,222,324	\$27,334,239	\$24,138,978	\$28,416,523	\$20,817,172

Source: City Records

(1) - Prior year amounts have not been restated for the implementation of GASB Statement 54. The change in the classification of fund balance amounts in 2011 are discussed in the Notes to the Financial Statements

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

	2002	2003	2004	2005	2006
Revenues					
Municipal Income Taxes	\$11,116,054	\$10,826,083	\$11,127,693	\$11,760,071	\$13,977,428
Property and Other Taxes	3,617,226	3,728,248	3,722,157	3,843,387	4,033,096
Total Taxes					
Payments in Lieu of Taxes	0	0	0	0	0
Intergovernmental	3,581,912	5,094,102	5,267,573	4,036,451	3,726,467
Special Assessments	813,483	745,209	824,394	897,559	761,844
Charges for Services	1,097,082	1,075,663	990,286	1,002,493	1,061,357
Fines, Licenses and Permits	168,641	161,949	180,379	178,315	147,675
Interest	339,756	320,874	341,248	603,363	877,912
Rent (4)	216,354	219,300	207,990	217,301	514,483
Increase (Decrease) in Fair Value of Investments	7,158	(3,134)	(13,643)	(43,135)	52,824
Other	298,528	507,532	286,498	188,355	207,812
<i>Total Revenues</i>	<u>21,256,194</u>	<u>22,675,826</u>	<u>22,934,575</u>	<u>22,684,160</u>	<u>25,360,898</u>
Expenditures					
Current:					
Security of Persons and Property:					
Fire	4,859,323	4,877,731	5,238,124	5,095,123	5,326,131
Police	5,740,324	5,858,898	5,815,324	5,793,797	5,922,786
Other	1,186,384	1,161,277	1,131,283	1,480,623	1,161,733
Public Safety	27,142	0	0	0	0
Leisure Time Activities	270,095	205,312	156,038	310,169	239,893
Community Environment	901,889	960,001	1,003,393	769,706	723,380
Transportation:					
Local Street Capital Improvement	0	0	0	0	0
Other	1,466,131	1,504,775	1,493,925	1,481,196	1,363,889
General Government	2,672,289	3,034,788	3,011,530	3,026,588	2,969,671
Capital Outlay	5,169,854	10,172,043	6,778,164	3,122,285	4,794,386
Debt Service:					
Principal Retirement	1,588,315	1,610,560	10,625,090	12,174,365	1,460,691
Interest and Fiscal Charges	924,975	909,068	1,003,594	984,879	1,136,067
Issuance Costs	0	250	3,771	2,549	0
<i>Total Expenditures</i>	<u>24,806,721</u>	<u>30,294,703</u>	<u>36,260,236</u>	<u>34,241,280</u>	<u>25,098,627</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(3,550,527)</u>	<u>(7,618,877)</u>	<u>(13,325,661)</u>	<u>(11,557,120)</u>	<u>262,271</u>
Other Financing Sources (Uses)					
Special Assessment Bonds Issued	0	0	0	0	0
General Obligation Bonds Issued	0	0	0	0	0
Refunding Bonds Issued	0	0	0	0	0
Long-Term Loans Issued	341,364	217,333	0	0	0
Bond Anticipation Notes Issued	0	0	0	0	0
Special Assessment Notes Issued	0	7,308,000	8,951,289	8,652,000	9,322,916
General Obligation Notes Issued	0	1,802,000	1,835,711	1,248,000	0
Proceeds from Loans					
Proceeds from Capital Leases	0	0	0	0	1,112,498
Premium on Special Assessment Bonds Issued	0	0	0	0	0
Premium on General Obligation Bonds Issued	0	0	0	0	0
Premium from Refunding Bonds Issued	0	0	0	0	0
Premium on Special Assessment Notes Issued	0	48,281	72,089	60,042	0
Premium on General Obligation Notes Issued	0	12,170	29,933	10,188	0
Proceeds from Sale of Capital Assets	277,615	37,227	21,472	18,429	7,412
Premium on Debt Issued					
Current Refunding	0	0	0	0	(9,900,000)
Payment to Refunded Bond Escrow Agent					
Transfers In	8,777,140	8,072,606	9,670,289	7,440,740	7,997,038
Transfers Out	(9,118,870)	(8,005,171)	(8,980,764)	(7,253,203)	(7,794,864)
<i>Total Other Financing Sources (Uses)</i>	<u>277,249</u>	<u>9,492,446</u>	<u>11,600,019</u>	<u>10,176,196</u>	<u>745,000</u>
<i>Net Change in Fund Balances</i>	<u>(\$3,273,278)</u>	<u>\$1,873,569</u>	<u>(\$1,725,642)</u>	<u>(\$1,380,924)</u>	<u>\$1,007,271</u>

Debt Service as a Percentage of Noncapital Expenditures (1) 12.54% 10.85% 35.71% 41.57% 12.82%

(1) - Noncapital expenditures is the amount for "capital assets used in governmental activities" in the "reconciliation of the statement of revenues, expenditures, and changes in fund balance of governmental funds to the statement of activities"

2007	2008	2009	2010	2011
\$15,119,538	\$14,608,888	\$11,989,079	\$12,957,248	
4,200,124	4,098,225	3,990,387	3,956,343	\$15,391,298
774,914	665,747	550,833	751,621	1,313,072
3,821,179	4,545,771	4,060,811	4,636,687	4,674,491
835,013	742,708	822,373	815,286	858,502
1,041,625	1,240,683	1,405,223	1,238,250	1,566,884
187,608	153,161	143,934	206,919	717,250
1,091,935	1,208,539	580,169	383,991	
169,244	202,599	203,073	236,641	
314,169	141,409	(268,583)	(102,583)	142,772
211,800	149,116	428,231	645,081	1,106,416
<u>27,767,149</u>	<u>27,756,846</u>	<u>23,905,530</u>	<u>25,725,484</u>	<u>25,770,685</u>
5,632,420	5,785,062	5,759,171	5,930,867	
6,115,969	6,234,399	6,235,791	6,394,398	
1,211,381	1,239,463	1,255,813	1,330,418	
0	0	0	0	14,289,848
244,627	231,133	329,729	460,043	400,655
884,252	844,496	830,356	963,506	1,097,060
0	0	0	0	
1,416,004	1,519,898	1,495,545	1,578,536	1,580,484
2,982,202	5,318,309	3,487,351	3,246,433	3,046,448
3,990,252	3,479,216	5,276,107	6,127,838	9,871,165
1,505,209	12,033,068	1,768,084	1,894,449	2,019,615
1,187,360	1,456,988	1,074,931	1,072,760	1,309,499
32,803	86,531	0	153,136	0
<u>25,202,479</u>	<u>38,228,563</u>	<u>27,512,878</u>	<u>29,152,384</u>	<u>33,614,774</u>
<u>2,564,670</u>	<u>(10,471,717)</u>	<u>(3,607,348)</u>	<u>(3,426,900)</u>	<u>(7,844,089)</u>
1,270,000	8,940,000	0	0	0
1,065,000	2,105,000	0	305,000	0
0	0	0	9,045,000	0
0	0	0	0	0
10,742,648	504,000	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	657,441	0
0	109,250	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
127,139	2,744,940	0	36,356	1,839
			26,402	0
(7,999,000)	0	0	(1,665,000)	0
			(882,369)	0
9,847,932	11,654,469	6,498,223	9,136,383	8,263,028
<u>(9,726,215)</u>	<u>(11,456,983)</u>	<u>(6,179,988)</u>	<u>(8,844,239)</u>	<u>(8,020,129)</u>
<u>5,327,504</u>	<u>14,600,676</u>	<u>318,235</u>	<u>7,814,974</u>	<u>244,738</u>
<u>\$7,892,174</u>	<u>\$4,128,959</u>	<u>(\$3,289,113)</u>	<u>\$4,388,074</u>	<u>(\$7,599,351)</u>
12.33%	38.37%	11.80%	12.71%	13.50%

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

Collection Year	City Direct Rates (1)					Overlapping Rates			
	General Fund	Fire Fund	Police Fund	G.O. Bond Fund	Total	Huber Heights School District	Montgomery County	Miami Valley Career Technology Center	Montgomery County Public Library
2011	\$1.50	\$4.29	\$5.50	\$0.00	\$11.29	\$66.67	\$20.94	\$2.58	\$1.75
2010	1.50	4.29	5.50	0.00	11.29	66.67	20.94	2.58	1.75
2009	1.50	4.29	5.50	0.38	11.67	66.67	20.24	2.58	1.25
2008	1.50	4.29	5.50	0.38	11.67	60.44	20.24	2.58	1.25
2007	1.50	4.29	5.50	0.38	11.67	60.44	18.24	2.58	1.25
2006	1.50	4.29	5.50	0.25	11.54	60.48	18.24	2.58	1.25
2005	1.50	4.29	5.50	0.29	11.58	54.02	18.24	2.58	1.25
2004	1.50	4.29	5.50	0.30	11.59	54.02	18.24	2.58	0.26
2003	1.50	4.29	5.50	0.33	11.62	54.03	17.24	2.58	0.26
2002	1.50	4.29	5.50	0.35	11.64	54.09	17.24	2.58	0.26

Source: County Auditor; Montgomery County, Ohio. The County Auditor for Miami County, Ohio has a \$1.10 City direct rate for the General Fund.

*Assessed valuation for real property and public utility real is based upon 35% of estimated true value set by county appraisal, 88% for one half of public utility tangible personal and 25% for the remaining half, 5% for tangible personal property (telecom value)

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

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

Taxpayer	2011			2002		
	2010 Real Property and Public Utility Tangible Personal Property Assessed Valuation (Tax Duplicate) For Collection in 2011 (1)	Rank	Percentage of Total Assessed Valuation	2001 Real Property and Public Utility Tangible Personal Property Assessed Valuation (Tax Duplicate) For Collection in 2002 (1)	Rank	Percentage of Total Assessed Valuation
Dayton Power and Light Company	\$9,564,460	1	1.45%	\$8,302,180	2	1.44%
Kir Huber Heights L P	9,022,570	2	1.37%	8,788,660	1	1.52%
Meijers Stores Limited Partnership	4,562,410	3	0.69%			
EPT Neneteen Inc.	3,136,280	4	0.48%			
Lowe's Home Center Incorporated	2,970,190	5	0.45%	3,108,170	4	0.54%
DEC Land Co. LLC	2,293,690	6	0.35%			
Good Samaritan Hospital	2,149,390	7	0.33%			
Dayton Hudson Corp.	2,117,970	8	0.32%			
City of Huber Heights	1,726,220	9	0.26%			
CDC-Lindbergh Subsidiary	1,684,190	10	0.26%			
Trimble Navigation Ltd.				1,585,050	9	0.27%
Ohio Bell Telephone				4,149,100	3	0.72%
National Amusement Incorporated				2,883,660	5	0.50%
Target Corporation				2,296,550	6	0.40%
Wal-Mart Stores Incorporated				1,970,630	8	0.34%
C. H. Huber Enterprise Incorporated				2,065,460	7	0.36%
Developers Diversified				1,377,620	10	0.24%
	\$39,227,370		5.95%	\$36,527,080		3.50%
Total Assessed Valuation	\$659,563,280			\$576,435,556		

(1) Assessed valuation based on the valuation of property for taxes collected in 2011 and 2002, respectively, and a review of the ten largest taxpayers for the City.

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

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

Collection Year	(1) Real	(1) Public Utility Personal	(1), (3) Tangible Personal	(1) Total Assessed Value	(2) Estimated Value	Percentage of Assessed Value To Estimated True Value	Total Direct Rate
2011	\$667,259,190	\$10,473,920	\$0	\$659,563,280	\$1,860,608,058	35.45%	\$11.29
2010	674,472,730	10,046,430	297,900	684,817,060	1,958,824,002	34.96%	11.29
2009	668,072,700	10,160,590	1,930,790	680,164,080	1,954,181,285	34.81%	11.67
2008	660,084,200	9,999,740	18,227,697	688,311,637	2,203,279,159	31.24%	11.67
2007	661,829,890	13,085,090	26,502,893	701,417,873	2,136,570,577	32.83%	11.67
2006	646,417,910	13,699,870	31,695,189	691,812,969	2,019,833,252	34.25%	11.54
2005	580,002,870	14,627,920	41,237,625	635,868,415	1,869,391,628	34.01%	11.58
2004	572,399,170	15,213,440	44,549,069	632,161,679	1,852,669,015	34.12%	11.59
2003	563,795,850	15,292,510	46,288,634	625,376,994	1,829,478,068	34.18%	11.62
2002	513,377,550	14,896,260	48,161,746	576,435,556	1,697,672,234	33.95%	11.64

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

(1) Miami County, Ohio information added.

(2) This is calculated by dividing the assessed value by the assessment percentage. The percentages for collection year 2010/tax year 2009 were 35 percent for real property and public utility real, 88 percent for one half of public utility tangible personal with 25 percent for the remaining half, and 5 percent for tangible personal property (telecom value).

(3) Tangible personal property assessed value is based on County estimates not on actual reports.

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

Year	Individual				Total		Corporate	Percentage	Total	Income Tax Rate
	Withholding	Percentage	Non-withholding	Percentage	Individual	Percentage				
2011	\$9,832,362	79.85%	\$1,555,765	12.63%	\$11,388,127	92.48%	\$925,788	752.00%	\$12,313,914	2.00%
2010	9,522,684	76.83%	(1)	(1)	(1)	(1)	(1)	(1)	12,394,098	2.00%
2009	9,094,128	75.38%	1,970,958	16.34%	11,065,087	91.72%	998,945	8.28%	12,064,032	2.00%
2008	11,349,030	73.36%	2,212,199	14.30%	13,561,229	87.66%	1,908,748	12.34%	15,469,977	2.25%
2007	11,208,882	71.77%	2,340,611	14.99%	13,549,493	86.75%	2,069,367	13.25%	15,618,860	2.25%
2006	10,573,877	76.30%	1,886,487	13.61%	12,460,364	89.91%	1,398,295	10.09%	13,858,659	2.25%
2005	9,330,120	74.51%	1,910,262	15.25%	11,240,382	89.76%	1,282,037	10.24%	12,522,419	1.95%
2004	8,674,525	78.50%	1,719,659	15.56%	10,394,184	94.06%	656,577	5.94%	11,050,761	1.95%
2003	8,743,601	77.61%	1,764,529	15.66%	10,508,130	93.28%	757,568	6.72%	11,265,698	1.95%
2002	8,705,817	77.40%	1,831,422	16.28%	10,537,239	93.69%	709,918	6.31%	11,247,157	1.95%

Source: City of Huber Heights, Division of Taxation for years 2002 - 2008, Regional Income Tax Agency (RITA) for 2009 - 2010

(1) The percentages breaking down the different types of tax were not available due to insufficient information received from RITA when the City resumed collection of income taxes in October 2010.

The City levies a 2.0% income tax on substantially all income earned within the City, excluding interest, dividends, and retirement. Additional increases in the income tax rate require voter approval. City residents pay City income tax on income earned outside the City, however, a credit is allowed for income taxes paid to other municipalities. Employers within the City withhold income tax on employee compensation and remit at least quarterly.

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

In November 2008, voters passed a (0.25) % decrease in the income tax rate for the general fund, effective January 1, 2009.

Also in 2008, Council approved the use of the Regional Income Tax Agency (RITA) to collect the City's income taxes.

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

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

Collection Year	Total Tax Levy	Current Tax Collections	Percent of Current Tax Collections To Tax Levy	Delinquent Tax Collections (1)	Total Tax Collections (2)	Percent of Total Tax Collections To Tax Levy	Accumulated Outstanding Delinquent Taxes (2)	Percentage of Accumulated Delinquent Taxes To Total Tax Levy
2011	\$3,111,525	\$3,012,774	96.83%	\$35,729	\$2,974,816	95.61%	\$133,528	4.29%
2010	3,136,661	2,260,524	72.07%	77,705	2,338,229	74.55%	184,365	5.88%
2009	3,378,762	2,691,314	79.65%	99,139	2,790,453	82.59%	189,030	5.59%
2008	3,637,320	2,973,760	81.76%	164,283	3,138,043	86.27%	135,785	3.73%
2007	3,734,698	3,479,307	93.16%	163,456	3,642,763	97.54%	199,224	5.33%
2006	3,603,704	3,471,825	96.34%	135,723	3,607,548	100.11%	174,822	4.85%
2005	3,563,629	3,488,066	97.88%	132,379	3,620,445	101.59%	149,548	4.20%
2004	3,600,236	3,523,147	97.86%	111,849	3,634,996	100.97%	274,856	7.63%
2003	3,568,021	3,496,358	97.99%	131,403	3,627,761	101.67%	303,069	8.49%
2002	3,525,977	3,416,463	96.89%	111,497	3,527,960	100.06%	221,850	6.29%

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

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

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

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

Collection Year	Billed	Amount Collected (1)	Percent Collected	Debt Service		Coverage
				Principal	Interest	
2011	\$1,570,872	\$833,650	53.07%	\$855,000	\$573,290	58.37%
2010	1,343,889	837,392	62.31%	1,635,000	667,121	36.37%
2009	1,068,483	810,832	75.89%	770,000	660,088	56.70%
2008	764,742	744,602	97.37%	485,000	611,021	67.94%
2007	847,290	816,999	96.42%	435,000	300,787	111.04%
2006	781,636	751,019	96.08%	405,000	321,518	103.37%
2005	777,446	765,031	98.40%	380,000	340,736	106.15%
2004	914,822	783,597	85.66%	380,000	360,045	105.89%
2003	790,872	739,065	93.45%	355,000	376,581	101.02%
2002	719,785	688,373	95.64%	305,000	400,005	97.64%

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

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

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

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

Collection Year	Population (1)	(2) Assessed Value	Gross Bonded Debt (3)	Debt Service Monies Available (4)	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Valuation	Net Bonded Debt Per Capita
2011	38,101	\$659,563,280	\$11,730,000	\$230,437	\$11,499,563	1.74%	\$301.82
2010	38,101	684,817,060	12,595,000	586,675	12,008,325	1.75%	315.17
2009	38,212	680,164,080	6,585,000	980,968	5,604,032	0.82%	146.66
2008	38,212	688,311,637	7,310,000	1,548,129	5,761,871	0.84%	150.79
2007	38,212	701,417,873	6,150,000	1,440,382	4,709,618	0.67%	123.25
2006	38,212	691,812,969	5,965,000	1,442,554	4,522,446	0.65%	118.35
2005	38,212	635,868,415	6,830,000	889,784	5,940,216	0.93%	155.45
2004	38,212	632,161,679	7,670,000	1,356,175	6,313,825	1.00%	165.23
2003	38,212	625,376,994	8,470,000	756,494	7,713,506	1.23%	201.86
2002	38,686	576,435,556	9,265,000	725,299	8,539,701	1.48%	220.74

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

(2) Miami County, Ohio information added.

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

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

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

	2002	2003	2004	2005	2006	2007
Total Debt Outstanding:						
Governmental Activities:						
Short-Term General Obligation Notes	\$1,820,000	\$1,852,000	\$1,885,000	\$1,905,000	\$3,058,200	\$2,052,000
Long-Term General Obligation Notes	0	1,802,000	1,838,000	1,248,000	0	2,008,300
Short-Term Special Assessment Notes	1,670,000	1,200,000	360,000	0	1,225,100	0
Long-Term Special Assessment Notes	0	7,308,000	8,949,000	8,652,000	7,999,000	8,298,230
General Obligation Bonds - Voted	1,485,000	1,340,000	1,195,000	1,040,000	880,000	715,000
General Obligation Bonds - Unvoted	7,780,000	7,130,000	6,475,000	5,790,000	5,085,000	5,435,000
Total General Obligation Bonds	9,265,000	8,470,000	7,670,000	6,830,000	5,965,000	6,150,000
Special Assessment Bonds - Unvoted	7,250,000	6,895,000	6,515,000	6,135,000	5,730,000	6,565,000
Equipment/Vehicle Loans	1,082,290	839,063	503,973	336,607	215,916	127,361
State Infrastructure Bank Loans	0	0	0	0	1,323,916	1,760,034
Total Governmental Activities	21,087,290	28,366,063	27,720,973	25,106,607	25,517,132	26,960,925
Business-Type Activities:						
Short-Term General Obligation Notes	0	0	1,705,000	0	0	0
Revenue Bonds Payable - Unvoted (1)	9,910,517	9,380,517	8,805,517	19,290,517	18,385,517	17,365,517
OWDA Loan - Unvoted	5,103,892	4,794,738	4,473,566	4,139,911	3,793,286	3,433,188
Equipment/Vehicle Loans	114,229	101,912	71,491	44,127	19,902	5,740
Total Business-Type Activities	15,128,638	14,277,167	15,055,574	23,474,555	22,198,705	20,804,445
Total	36,215,928	42,643,230	42,776,547	48,581,162	47,715,837	47,765,370
Total Debt Per Capita	\$936.15	\$1,115.96	\$1,119.45	\$1,271.36	\$1,248.71	\$1,250.01
Percentage of Personal Income	4.47%	5.33%	5.34%	6.07%	5.96%	5.97%
Less: Exempt Debt						
Governmental Activities:						
Short-Term Special Assessment Notes	(1,670,000)	(1,200,000)	(360,000)	0	(1,225,100)	0
Long-Term Special Assessment Notes	0	(7,308,000)	(8,949,000)	(8,652,000)	(7,999,000)	(8,298,230)
Special Assessment Bonds - Unvoted	(7,250,000)	(6,895,000)	(6,515,000)	(6,135,000)	(5,730,000)	(6,565,000)
State Infrastructure Bank Loans	0	0	0	0	(1,323,916)	(1,760,034)
Total Governmental Activities	(8,920,000)	(15,403,000)	(15,824,000)	(14,787,000)	(16,278,016)	(16,623,264)
Business-Type Activities:						
Short-Term General Obligation Notes	0	0	(1,705,000)	0	0	0
Revenue Bonds Payable - Unvoted	(9,910,517)	(9,380,517)	(8,805,517)	(19,290,517)	(18,385,517)	(17,365,517)
OWDA Loan - Unvoted	(5,103,892)	(4,794,738)	(4,473,566)	(4,139,911)	(3,793,286)	(3,433,188)
Equipment/Vehicle Loans	(114,229)	(101,912)	(71,491)	(44,127)	(19,902)	(5,740)
Total Business-Type Activities	(15,128,638)	(14,277,167)	(15,055,574)	(23,474,555)	(22,198,705)	(20,804,445)
Total	(24,048,638)	(29,680,167)	(30,879,574)	(38,261,555)	(38,476,721)	(37,427,709)
Debt Within 10 1/2 Percent Limitation	12,167,290	12,963,063	11,896,973	10,319,607	9,239,116	10,337,661
Less: GO Bond Retirement Fund Balance	(726,655)	(761,350)	(1,361,031)	(893,089)	(1,000,355)	(1,061,793)
Net Debt Subject to 10 1/2 Percent Limitation	11,440,635	12,201,713	10,535,942	9,426,518	7,796,562	9,275,868
Overall Debt Limitation						
10 1/2 Percent of Assessed Valuation	60,525,733	65,664,584	66,376,976	66,766,184	66,766,184	73,648,877
Legal Debt Margin Within 10 1/2 Percent Limitation	\$49,085,098	\$53,462,871	\$55,841,034	\$57,339,666	\$58,969,622	\$64,373,009
Net Debt Subject to 10 1/2 Percent Limitation as a percentage of debt limit	18.90%	18.58%	15.87%	14.12%	11.68%	12.59%
Legal Debt Margin as a Percentage of the Debt Limit	81.10%	81.42%	84.13%	85.88%	88.32%	87.41%
Debt Within 5 1/2 Percent Limitation	\$10,682,290	\$11,623,063	\$10,701,973	\$9,279,607	\$8,359,116	\$9,622,661
Less: Bond Retirement Fund Balance	(726,655)	(761,350)	(1,361,031)	(893,089)	(1,442,554)	(1,061,793)
Net Debt Within 5 1/2 Percent Limitation	9,955,635	10,861,713	9,340,942	8,386,518	6,916,562	8,560,868
Unvoted Debt Limitation						
5 1/2 Percent of Assessed Valuation	31,703,956	34,395,735	34,768,892	34,972,763	38,031,868	38,577,983
Legal Debt Margin Within 5 1/2 Percent Limitation	\$21,748,321	\$23,534,022	\$25,427,950	\$26,586,245	\$31,115,306	\$30,017,115
Net Debt Within 5 1/2 Percent Limitation as a percentage of debt limit	31.40%	31.58%	26.87%	23.98%	18.19%	22.19%
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limitation	68.60%	68.42%	73.13%	76.02%	81.81%	77.81%
Net General Bonded Debt	8,538,345	7,708,650	6,308,969	5,936,911	4,522,446	5,088,207
Ratio of Net Bonded Debt to Assessed Valuation	1.48%	1.23%	1.00%	0.93%	0.65%	0.74%
Net Bonded Debt Per Capita	\$220.74	\$201.86	\$165.23	\$155.45	\$118.35	\$133.16

Source: Department of Finance, City of Huber Heights

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

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

2008	2009	2010	2011
\$0	\$1,850,000	\$0	\$8,000,000
0	0	0	0
0	0	0	0
0	0	0	0
545,000	370,000	190,000	0
6,765,000	6,215,000	12,405,000	11,730,000
7,310,000	6,585,000	12,595,000	11,730,000
15,020,000	14,250,000	13,510,000	12,655,000
65,963	17,320	0	0
2,152,649	2,093,585	2,633,089	2,452,407
24,548,612	24,795,905	28,738,089	34,837,407
0	0	0	0
16,300,517	15,185,517	14,015,517	13,380,894
3,059,091	2,670,454	2,532,149	2,102,731
3,503	1,187	0	0
19,363,111	17,857,158	16,547,666	15,483,625
43,911,723	42,653,063	45,285,755	50,321,032
\$1,149.16	\$1,116.22	\$1,188.57	\$1,320.73
5.48%	5.33%	5.67%	6.30%
0	0	0	0
0	0	0	0
(15,020,000)	(14,250,000)	(13,510,000)	(12,655,000)
(2,152,649)	(2,093,585)	(2,633,089)	(2,452,407)
(17,172,649)	(16,343,585)	(16,143,089)	(15,107,407)
0	0	0	0
(16,300,517)	(15,185,517)	(14,015,517)	(13,380,894)
(3,059,091)	(2,670,454)	(2,532,149)	(2,102,731)
(3,503)	(1,187)	0	0
(19,363,111)	(17,857,158)	(16,547,666)	(15,483,625)
(36,535,760)	(34,200,743)	(32,690,755)	(30,591,032)
7,375,963	8,452,320	12,595,000	19,730,000
(1,307,081)	(980,968)	(586,675)	(586,675)
6,068,882	7,471,352	12,008,325	19,143,325
72,272,722	71,417,228	71,905,791	69,254,144
\$66,203,840	\$63,945,876	\$59,897,466	\$50,110,819
8.40%	10.46%	16.70%	27.64%
91.60%	89.54%	83.30%	72.36%
\$6,830,963	\$8,082,320	\$12,405,000	\$19,730,000
(1,307,081)	(980,968)	(586,675)	(586,675)
5,523,882	7,101,352	11,818,325	19,143,325
37,857,140	37,409,024	37,664,938	36,275,980
\$32,333,258	\$30,307,672	\$25,846,613	\$17,132,655
14.59%	18.98%	31.38%	52.77%
85.41%	81.02%	68.62%	47.23%
6,002,919	5,604,032	12,008,325	11,143,325
0.87%	0.82%	1.75%	1.69%
\$157.10	\$146.66	\$315.17	\$292.47

City of Huber Heights, Ohio
Computation of Direct and Overlapping General Obligation Bonded Debt
December 31, 2011

Governmental Unit	Net Debt Outstanding	Estimated Percentage Applicable (1)	Amount Applicable To City of Huber Heights
City of Huber Heights	\$5,704,335	100.00%	\$5,704,335
Greene County	27,207,700	0.00%	0
Miami County	11,971,200	0.84%	100,558
Montgomery County	3,549,923	6.49%	230,390
Fairborn City School District	14,249,987	0.01%	1,425
Huber Heights City School District	78,285,000	88.49%	69,274,397
Vandalia-Butler City School District	49,139,309	0.01%	4,914
Mad River Local School District	10,995,000	0.04%	4,398
Greene County Career Center Joint Vocational School District	150,001	0.00%	0
Miami Valley Career Center Joint Vocational School District	6,635,000	9.82%	651,557
Miami Valley Regional Transit Authority Miscellaneous	920,000	6.49%	59,708
Subtotal Overlapping Debt	208,807,455		76,031,682
City of Huber Heights - Direct Debt	44,226,454	100.00%	44,226,454
Total Direct and Overlapping Debt	\$253,033,909		\$120,258,136

Source: Ohio Municipal Advisory Council

(1) - Percentages were determined by dividing the assessed valuation of the overlapping government located within the boundaries of the City by the total assessed valuation of the government.

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

Year	Revenues (1)	Operating Expenses (2)	Net Revenue Available Debt Service	Debt Service Requirements			Coverage (3)
				Principal	Interest	Total	
2011	\$4,477,229	\$2,044,892	\$2,432,337	\$1,235,000	\$470,744	\$1,705,744	1.43
2010	5,210,090	2,118,316	3,091,774	1,170,000	529,244	1,699,244	1.82
2009	5,260,916	2,077,090	3,183,826	1,115,000	584,994	1,699,994	1.87
2008	5,289,667	1,948,790	3,340,877	1,065,000	638,244	1,703,244	1.96
2007	6,278,971	1,943,224	4,335,747	1,020,000	679,044	1,699,044	2.55
2006	5,715,183	1,742,865	3,972,318	905,000	801,533	1,706,533	2.33
2005	5,579,036	1,765,613	3,813,423	625,000	242,792	867,792	4.39
2004	4,316,193	1,902,642	2,413,551	575,000	270,393	845,393	2.85
2003	3,866,239	1,512,079	2,354,160	530,000	295,297	825,297	2.85
2002	2,818,787	1,585,137	1,233,650	490,000	317,843	807,843	1.53

Source: Department of Finance, City of Huber Heights

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

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

City of Huber Heights, Ohio
OWDA Loan Coverage - Sewer Fund
Last Ten Years

Year	Revenues (1)	Operating Expenses (2)	Net Revenue Available Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2011	\$3,849,758	\$2,507,758	\$1,342,000	\$429,418	\$91,443	\$520,861	2.58
2010	3,953,466	2,477,929	1,475,537	403,743	98,963	502,706	2.94
2009	3,807,243	2,376,320	1,430,923	338,637	114,070	452,707	3.16
2008	3,891,610	2,283,913	1,607,697	374,097	128,609	502,706	3.20
2007	3,876,270	2,189,398	1,686,872	360,098	142,609	502,707	3.36
2006	4,004,640	2,283,770	1,720,870	346,625	156,082	502,707	3.42
2005	4,154,008	2,294,923	1,859,085	333,656	169,051	502,707	3.70
2004	3,863,808	2,220,490	1,643,318	321,172	181,536	502,708	3.27
2003	3,387,517	2,133,616	1,253,901	309,154	193,554	502,708	2.49
2002	2,796,505	2,159,393	637,112	297,587	205,120	502,707	1.27

Source: Department of Finance, City of Huber Heights

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

(1) - Revenues includes operating revenues only.

(2) - Total operating expenses exclusive of depreciation.

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

Year	Debt Principal and Interest (1)	General Fund Expenditures	Ratio
2011	\$1,445,808	\$5,621,299	0.26
2010	2,755,087	5,278,398	0.52
2009	1,065,348	5,221,929	0.20
2008	1,321,092	5,230,037	0.25
2007	1,172,003	4,881,217	0.24
2006	1,192,929	4,888,545	0.24
2005	1,202,661	4,677,447	0.26
2004	1,195,804	4,755,350	0.25
2003	1,220,109	4,737,626	0.26
2002	1,225,447	4,279,005	0.29

Source: Department of Finance, City of Huber Heights

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

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

Employer	Nature of Activity or Business	2011 Approximate Number of Employees	2011 Rank	2011 Percentage of Total City Employment	2005 Approximate Number of Employees	2005 Rank	2005 Percentage of Total City Employment
Huber Heights City Schools (1)	Education	961	1	3.20%			
CBS Personnel	Electronic Media	548	2	2.70%			
Trimble Navigation	Laser Manufacturing	462	3	2.50%	456	2	
ABF Freight Systems	Truck Terminal	428	4	2.40%	735	1	
Meijer	General Merchandise	411	5	2.04%			
Wal-Mart Stores Incorporated	General Merchandise	349	6	1.99%	295	4	
State of Ohio-Payroll Services	State Government	340	7	1.91%			
Scott Corporation	Lawn and Garden	327	8	1.87%			
Fedex Freight	Package Delivery	320	9	1.78%	300	3	
Kroger Limited	Grocery Store	305	10	1.70%	100	23	
Time Warner	Cable and Internet	291	11	1.67%			
Kohl's Department Stores, Inc.	General Merchandise	286	12	1.49%	180	10	
Target Corporation	General Merchandise	254	13	1.39%	150	16	
Kettering Medical	Healthcare	238	14	1.36%			
5440 Charlesgate Rd Operating	Rehabilitation Nursing Center	232	15	1.22%			
Dayton Freight Lines	Truck Terminal	209	16	1.20%	87	27	
Lowe's Home Center, Inc	Home Improvement Sales	206	17	1.16%	200	7	
City Of Huber Heights	City Government	198	18	1.15%	198	8	
Coca-Cola Enterprises	Warehouser and Distributer	197	19	1.05%	210	6	
Texas Roadhouse	Restaurant	179	20	1.04%			
Speedway Superamerica	Gas Station	178	21	0.99%			
Bon-Ton Elder-Beerman	General Merchandise	170	22	0.89%	140	18	
YMCA	Recreation	152	23	0.74%			
Enginetics Corporation	Aerospace Parts	126	24	0.71%			
Steak 'N Shake	Restaurant	121	25	0.62%	71	31	
4Over, Inc	Digital Printing	106	26	0.61%			
Bowser Morner	Testing Laboratory	105	27	0.52%	160	12	
Catlaw, Inc	Commercial Pump Manufacturing	89	28	0.51%			
Providence Medical Group	Family Medical/ Dental Services	87	29	0.46%			
Montgomery County Auditor	County Government	79	30	0.45%			
Aida America	Press Manufacturing	77	31	0.45%	132	19	
Mongomery Development Center	Handicapped Home				214	5	
Spring Creek Nursing Center	Nursing Home				180	9	
TGI Friday's	Restaurant				160	11	
Cub Foods	Grocery Store				160	13	
Paxar Corporation	Paper Products Manufacturing				158	14	
LaserMike, Inc.	Laser Gauging				155	15	
Southdown, Inc.	Cement Company				150	17	
Metokote Corp.	Powder-coated Metals				130	20	
Wayne High School	Education				122	21	
Onyx Industrial Services, Inc.	Trucking Company				110	22	
Pizzeria Uno	Restaurant				100	24	
K-Mart Corp.	General Merchandise				100	25	
Fukuvi USA Inc.	Plastic Building Materials Manufacturing				95	26	
Studebaker Jr. High School	Education				84	28	
Weisenborn Jr. High School	Education				84	29	
U.S. Postal Service	Postal Service				74	30	

Source: City of Huber Heights, Planning and Development Department - telephone survey conducted December 2011, and 2005 CAFR

(1) - Current year and only information back to 2005 available.

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

Employer	Nature of Activity or Business	2011 Rank	2002 Rank
Wright Patterson Air Force Base	Military Base	1	1
Huber Heights City Schools	Education	2	3
Trimble Navigation Ltd	Laser Manufacturing	3	4
A B F Freight Systems	Truck Terminal	4	2
City of Huber Heights	City Government	5	6
State of Ohio - Payroll Services	State Government	6	7
Fedex Freight	Package Delivery	7	5
Wal-Mart Stores	General Merchandise	8	10
Dayton Freight Lines, Inc.	Truck Terminal	9	13
Coca Cola Enterprises, Inc.	Warehouser and Distributor	10	14
Aida America	Press Manufacturing	11	8
Enginetics Corporation	Aerospace Parts	12	20
Meijer Stores	General Merchandise	13	
Beta LaserMike Inc	Laser Gauging	14	12
Kroger Limited Partnership	Grocery Store	15	16
Lowe's Home Center Incorporated	Home Improvement Sales	16	19
5440 Charlesgate Rd. Operating	Rehabilitation Nursing Center	17	
CBS Personnel	Employment Services	18	
Bowser Morner	Testing Laboratory	19	17
Kettering Medical	Healthcare	20	
Providence Medical group	Family Medical/Dental	21	
4Over Inc.	Digital Printing	22	
Stoops of Ohio, Inc.	Freightliner Sales	23	
PNC Bank NA (formerly National City Bank)	Banking	24	22
Hooven Dayton Corp	Specialty Label Printer	25	
Samaritan Family Care	Health Care	26	
Huber Investment	Healthcare Residential Rental	27	11
Catlaw Inc	Commercial Pump Manufacturing	28	
Reed Elsevier, Inc.	Data Storage	29	
Montgomery County Auditor	County Government	30	
Dayton Regional Dialysis, Inc.	Healthcare		26
Paxar Corporation	Paper Products Manufacturing		9
Integrated of Spring Creek	Nursing Home		15
LEXIS-NEXIS	Electronic Information Services		18
Fukuvi USA, Inc.	Plastic Building Materials Manufacturing		21
Alpha Mold LLC	Plastic and Glass Mold Manufacturing		23
Metokote Corp.	Powder-coated Metals		24
Dayton Foods LTD.	Grocery Store		25
Bon-Ton Elder Beerman	General Merchandise		27
Target Corporation	General Merchandise		28
Yellow Transportation, Inc.	Truck Terminal		29
Apache Technologies, Inc.	Laser Manufacturing		30
Combined Percentage of Total Withheld Income Taxes		43.08%	62.02%

Source: Regional Income Tax Agency (RITA), City of Huber Heights, Division of Taxation

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

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

Year	Population (1)	Personal Income (2)	Per Capita Personal Income (1)	Median Household Income (1)	Median Age in Years (1)	Educational Attainment: Bachelor's Degree or Higher (1)	Average Sales Price of Residential Property (3)	School Enrollment (4)	Unemployment Rate Huber Heights (5)
2011	38,101	\$798,254,051	\$20,951	\$49,073	36.7	18.9%	\$103,540	6,684	10.10%
2010	38,101	798,254,051	20,951	\$49,073	36.7	18.9%	100,868	6,541	10.50%
2009	38,212	800,579,612	20,951	\$49,073	36.8	18.9%	99,362	6,546	11.00%
2008	38,212	800,579,612	20,951	49,073	34.4	18.9%	110,390	6,532	6.90%
2007	38,212	800,579,612	20,951	49,073	34.4	18.9%	116,197	6,651	5.70%
2006	38,212	800,579,612	20,951	49,073	34.4	18.9%	121,638	6,542	5.50%
2005	38,212	800,579,612	20,951	49,073	34.4	18.9%	117,122	6,861	5.60%
2004	38,212	800,579,612	20,951	49,073	34.4	18.9%	112,410	6,761	5.70%
2003	38,212	800,579,612	20,951	49,073	34.4	18.9%	108,268	6,826	5.80%
2002	38,686	810,510,386	20,951	49,073	34.4	18.9%	103,096	6,888	5.50%

Source: (1) 1990, 2000 and 2010 U.S. Census Reports.

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

Source: (3) Dayton Area Board of Realtors, Dayton, Ohio (2005 Price Range: \$15,000-\$390,000).

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

Source: (5) Ohio Bureau of Employment Services.

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

Function/Program	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Security of Persons and Property:										
Fire (1)	58	56	56	56	56	57	56	55	56	55
Police (2)	59	61	61	61	61	61	59	59	59	59
Other (3)	11	11	11	11	11	11	11	12	12	15
Leisure Time Activities:										
Parks and Recreation (4)	1	1	1	0	0	0	0	0	0	0
Pool (5)	24	24	24	0	0	0	0	0	0	0
Community Environment:										
Economic Development (13)	0	0	0	0	0	0	0	0	2	2
Planning and Zoning (13)	9	9	9	9	9	11	11	11	10	9
Engineering (6)	7	7	7	7	7	7	7	6	6	6
Community Services (12)								2	2	1
Senior Citizens Center	1	1	1	1	1	1	1	1	1	1
Transportation (7)	18	18	18	18	18	18	18	19	20	20
General Government (8):										
Mayor	1	1	1	1	1	1	1	1	1	1
Council (9)	10	10	10	10	10	10	11	11	10	10
Management (6)	8	8	2	2	2	3	3	3	3	3
Finance-Accounting (6)	6	6	7	7	7	7	7	7	7	8
Finance-Income Tax (10)	9	9	9	9	9	9	8	6	11	10
Management Information Systems (6) (11)	0	0	3	3	3	3	3	4	4	4
Human Resources (11)	0	0	3	3	3	3	2	2	2	2
Buildings and Grounds (7)	2	2	2	2	2	2	2	2	0	0
Volunteers: (14)										
Police	0	0	0	0	0	0	0	0	12	9
Fire	1	1	1	1	1	1	1	1	3	0
Non-Security of Persons and Property	0	0	0	0	0	0	0	0	1	0
<i>Total</i>	<u>225</u>	<u>225</u>	<u>226</u>	<u>201</u>	<u>201</u>	<u>205</u>	<u>201</u>	<u>202</u>	<u>222</u>	<u>215</u>

Source: Department of Finance, City of Huber Heights. The number of employees represents the number of allowed positions and not necessarily the number of filled positions.

- (1) In 2001, the City Council authorized the collection of Emergency Medical Service Fees. The funds were used to hire six fire fighter/paramedics, a lead fire inspector, a training officer, a data entry technician for the Fire Department, and an Information Technician. The Information Technician has since been paid out of the General Fund.
- (2) As part of a five-year hiring program, the City increased the staffing level in the Police Division committing to hiring two additional officers in 1997 and again in 1998. In 2003, the City established a Student Resource Officer program so that two police officers are provided to the Huber Heights City School District.
- (3) The Dispatch Division is paid out of the General Fund, along with General Lighting.
- (4) In 2005, the management of Parks and Recreation was transferred to the Division of Public Works (5) The municipal pool had seasonal employees. Starting in 2005 the City contracted this service to the YMCA. In 2010, the municipal pool was demolished due to the need of substantial repairs.
- (6) A portion of certain employees' salaries and benefits are charged to the Sewer and Water Division
- (7) Transportation is made up entirely of the Public Works Division. In 2010, the Buildings and Grounds division also became a part of the Public Works Division.
- (8) The Legal Division is a contractual service.
- (9) Council is made up of 8 Council members along with one Clerk of Council and one part-time Assistant Clerk of Council.
- (10) The Finance-Income Tax Department was created in 2001 when the City took over its own collections from the City of Dayton. In 2008, the Regional Income Tax Agency (RITA) took over collections. However in October 2010, the City took back collection of it's taxes and increased staff.
- (11) In 2004, both the Management Information Systems Division and the Human Resources Department were created.
- (12) The Community Services Division was created in 2008.
- (13) The Planning and Development Department was split into two departments in 2010: Economic Development and Planning and Zoning.
- (14) Volunteers consist of 9 Citizen Patrol Officers (PRIDE), 3 Police Chaplains, 2 Fire Chaplains, 1 Fire Medical Advisor, and 1 Planning and Zoning Intern

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

Function/Program	2002	2003	2004	2005	2006
Security of Persons and Property:					
Fire					
Number of fire calls	998	989	1,091	1,105	963
Number of EMS calls	3,868	3,908	3,879	3,878	4,021
Number of fire reports	(a)	1,910	2,037	1,105	1,871
Number of EMS reports	(a)	4,055	3,923	3,981	4,064
Police					
Calls for service	51,155	56,963	55,754	56,209	56,121
Total police incident reports taken and other activity	(a)	15,329	15,044	14,481	15,817
Offenses	(a)	5,747	5,382	5,339	5,008
Arrests	(a)	1,948	1,617	2,100	2,109
Field intervention	(a)	77	290	112	715
Juvenile	(a)	539	589	530	513
Stolen property	(a)	742	692	0	0
Citations	(a)	4,203	4,381	5,534	5,188
Warrants	(a)	718	590	854	715
Accidents	(a)	1,291	1,502	12	1,187
Intelligence	(a)	26	1	0	5
Pawn	(a)	38	0	0	377
Community Environment:					
Planning and Development					
Residential construction permits issued	130	124	142	123	89
Estimated value of residential construction	\$17,884,051	\$16,677,665	\$25,239,642	\$19,187,975	\$12,866,903
Commercial construction permits issued (2)	40	13	8	9	4
Estimated value of commercial construction	\$4,055,575	\$17,246,476	\$8,254,991	\$3,158,000	\$450,000
Industrial construction permits issued	4	2	5	9	1
Estimated value of industrial construction	\$4,789,725	\$4,136,315	\$1,256,600	\$2,234,500	\$1,400,000
General Government:					
Finance-Income Tax (1)					
Number of income tax returns processed	20,531	19,610	19,081	22,578	22,578
Number of incoming phone calls processed	6,217	11,847	8,385	7,543	7,543
Number of letters sent out	(b)	6,007	12,798	14,382	14,382
Number of walk-in customers helped	2,176	4,995	5,326	5,967	5,967
Water:					
Water main breaks repaired	357	48	52	29	15
Hydrants flushed	8,106	327	1,722	343	1,850
Drinking water produced (gallons)	11,200,000	1,435,198,000	1,426,608,000	1,402,850,000	1,359,220,000

Sources: Various City Divisions/Departments.

(a) Not available.

(b) On September 14, 2001, the City of Huber Heights terminated the income tax collection contract with the City of Dayton, establishing a collection office for the City of Huber Heights.

(1) The Regional Income Tax Agency (RITA) took over income tax collections for the City on January 1, 2009. Operating indicators are not available from them. The numbers presented are for the City's tax department and the customer service that they provided. In October 2010, the City resumed income tax collection and no longer used RITA.

(2) In addition to the commercial construction in 2010, there was also construction of 7 new schools. The schools have varying completion dates ranging from 2012 through 2014.

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

2007	2008	2009	2010	2011
997	1,018	889	982	1,061
4,018	4,274	4,278	4,321	4,495
1,773	1,840	1,595	1,923	2,223
4,128	4,358	4,348	4,309	4,541
56,060	65,558	66,087	68,200	78,152
14,573	14,680	15,147	15,520	14,141
4,607	5,167	4,925	4,477	5,018
2,025	1,897	1,859	1,776	1,763
527	695	702	707	467
528	564	477	413	422
0	0	0	0	0
5,071	4,694	5,737	6,428	7,689
681	535	557	555	631
1,131	1,128	888	1,096	1,022
3	0	2	68	129
0	0	0	0	0
107	37	50	88	171
\$13,264,683	\$5,770,020	\$8,255,177	\$11,389,936	\$13,975,930
9	10	4	6	9
\$18,350,000	\$8,705,000	\$1,130,000	\$3,723,744	\$825,000
9	3	0	0	1
\$31,614,683	\$5,600,000	\$0	\$0	\$400,000
20,879	22,749	0	108	12,976
5,873	6,158	3,181	3,000	4,943
15,633	19,360	2,130	1,078	6,285
5,868	6,929	3,784	3,748	5,261
55	67	34	45	48
300	1,888	415	1,977	412
1,428,343,000	1,426,960,000	1,329,616,000	1,364,426,000	1,334,103,000

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

Function/Program	2002	2003	2004	2005	2006
Security of Persons and Property:					
Fire					
Stations	2	2	2	2	2
Staff cars	8	7	7	6	6
Emergency vehicles	9	9	9	8	8
Police					
Stations	1	1	1	1	1
Staff cars	(a)	18	17	16	14
Police cruisers	(a)	29	29	28	33
Leisure Time Activities:					
Senior Center					
Buildings	2	2	2	2	2
Parks and Recreation					
Number of parks	13	13	13	13	15
Pool (1)	1	1	1	1	1
Community Environment:					
Planning and Development					
Vehicles	(a)	4	4	4	5
Engineering					
City area (square miles)	22.00	22.00	22.06	22.06	22.06
Streets (miles)	172.3	172.3	173.5	180.0	181.1
Streetlights	2,308	2,322	2,348	2,395	2,466
Vehicles	(a)	6	5	5	6
Transportation					
Buildings	(a)	7	7	7	7
Vehicles	(a)	22	22	22	21
General Government:					
Central Services					
Building	1	1	1	1	1
Automobiles	(a)	1	1	1	0
Management					
Automobiles	(a)	1	1	1	3
Finance-Accounting					
Automobiles	(a)	2	2	2	1
Finance-Income Tax					
Total square footage occupied in leased Income Tax Office	1,250	2,262	2,262	2,262	2,262
Automobiles	(a)	2	2	2	1
Management Information Systems					
Automobiles	(a)	1	1	1	3
Courts					
Building	1	1	1	1	1
Water:					
Water mains (miles)	144.96	144.96	146.12	152.90	154.43
Sewer:					
Sanitary sewers (miles)	137.56	137.56	138.66	145.24	147.39
Storm Water:					
Storm sewers (miles)	130.45	130.45	131.49	138.02	139.59

Sources: Various City Divisions/Departments.

(a) - Not available.

(1) - The City pool was demolished in 2010 due to the need of extensive repairs.

2007	2008	2009	2010	2011
2	2	2	2	2
7	7	6	7	7
8	8	8	8	8
1	1	1	1	1
14	14	15	16	16
37	31	26	29	29
2	2	2	2	2
15	15	16	16	16
1	1	1	0	0
5	5	5	5	5
22.06	22.06	22.06	22.06	22.06
181.1	181.1	181.8	181.8	181.8
2,475	2,475	2,475	2,475	2,475
5	6	7	5	5
7	6	8	8	8
22	25	25	27	27
1	1	1	1	1
0	0	0	1	1
2	3	1	2	2
1	1	1	1	1
2,262	2,262	2,262	2,262	2,262
1	1	1	1	1
4	3	3	1	1
1	1	1	1	1
159.57	146.31	162.51	165.30	165.30
145.67	161.31	146.49	147.32	147.32
139.59	139.59	140.74	140.74	140.74

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CITY OF HUBER HEIGHTS

Yellow Book Report

December 31, 2011

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

Honorable Mayor and Members of City Council
City of Huber Heights, Ohio

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Huber Heights (the City), as of and for the year ended December 31, 2011, which collectively comprise the City's basic financial statements and have issued our report thereon dated May 30, 2012 wherein we noted the City adopted GASB Statement No. 54 as disclosed in Note 19. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

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

Compliance and Other Matters

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

This report is intended solely for the information and use of management, the Auditor of State, City Council and is not intended to be and should not be used by anyone other than these specified parties.

Plattensburg & Associates, Inc.

Plattensburg & Associates, Inc.
May 30, 2012



Dave Yost • Auditor of State

CITY OF HUBER HEIGHTS

MONTGOMERY COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
AUGUST 07, 2012**