



**Auditor of State  
Betty Montgomery**



CITY OF HUBER HEIGHTS  
MONTGOMERY COUNTY

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**Auditor of State  
Betty Montgomery**

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

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

We have audited the accompanying financial statements of the City of Huber Heights, Montgomery County (the City), as of and for the year ended December 31, 2002, and have issued our report thereon dated May 9, 2003. 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.

**Compliance**

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 grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the City in a separate letter dated May 9, 2003.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the City's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

City of Huber Heights  
Montgomery County  
Independent Accountants' Report on Compliance and on Internal Control Required by  
*Government Auditing Standards*  
Page 2

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

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

**Betty Montgomery**  
Auditor of State of Ohio

May 9, 2003

# City of Huber Heights, Ohio

Comprehensive Annual Financial Report

For the year ended December 31, 2002

Issued by:  
Finance Department

Catherine L. Armocida, CPFO, CGFM  
Finance Director





**City of Huber Heights, Ohio**  
*Comprehensive Annual Financial Report*  
*For the Year Ended December 31, 2002*

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May 9, 2003

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

I am pleased to present our 2002 Comprehensive Annual Financial Report (CAFR) for the City of Huber Heights. This report, for the year ended December 31, 2002, has been prepared using generally accepted accounting principles for governments, and contains the financial statements and other financial and statistical data that provide complete and full disclosure of all material financial aspects of the City of Huber Heights ("the City"). Responsibility for both the accuracy of the data and completeness and fairness of the presentation rests with the management of the City.

The Comprehensive Annual Financial Report is presented in four sections:

1. The Introductory Section contains this letter of transmittal, GFOA Certificate of Achievement, a list of principal officials, and an organization chart of the City.
2. The Financial Section begins with the Report of Independent Accountants and includes Management's Discussion and Analysis, the Basic Financial Statements and Notes that provide an overview of the City's financial position and operating results, the Combining Statements for nonmajor funds and other schedules that provide detailed information relative to the Basic Financial Statements.
3. The Statistical Section presents social and economic data and financial trend information, and demonstrates the fiscal capacity of the City.
4. The Single Audit Report Section includes the Independent Accountants' Report on Compliance with Requirements Applicable to Each Major Federal Program and Internal Control Over the Compliance in Accordance with OMB Circular A-133, Schedule of Federal Awards Expenditures, and the Notes to the Schedule of Federal Awards Expenditures and Schedule of Findings.

### **CITY OVERVIEW**

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

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

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

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

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

## **ECONOMIC CONDITIONS AND OUTLOOK**

Situated along an extensive network of interstate and state highways, including Interstates 70 and 75, as well as U.S. Route 40 and State Routes 4, 201, 202 and 235, the City continued to experience growth and development during 2002. With a population of 38,686 in 2002, Huber Heights places third among all cities within Montgomery County.

Historically, the City's population growth erupted in the late 1950's when Mr. Charles Huber recognized the enormous potential for residential development in the area and began building what is now the largest community of brick homes in the United States.

The City, located 10 minutes from downtown Dayton, Wright Patterson Air Force Base and Dayton International Airport, is primarily residential, providing housing for residents who work in the surrounding metropolitan areas including the Wright Patterson Air Force Base. Huber Heights City government continued to take active steps toward diversifying its tax base, with the strong residential growth generating greater commercial and industrial development. At the end of 2002, there was over 330 acres of industrial-zoned and 150 acres of commercial zoned land available for development.

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

During 2002, 41 new businesses opened in Huber Heights. Zoning permits processed during 2002 included the issuance of 118 single-family certificates, 4 new industrial building certificates and 40 new commercial building certificates. The 2002 valuation on all certificates totaled \$26,729,351 compared to \$22,878,835 in 2001.

### Industrial Development

Center Point 70 Commerce Park, a 300-acre industrial business park site developed by the City was the focus for major new industrial development during 2002.

Aegean Apparel, the maker of novelty embroidered robes, began construction of a 30,000 square foot building located in the Commerce Park along I-70 in late 2002. When complete in the spring of 2003, the company will employ 20 new staff.

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

The City's I-70 Business Park was also active during the year. American Freightways completed construction of a 60,000 square foot 80-dock addition to their existing facility in the Business Park, which resulted in approximately 100 new jobs bringing total employment to 400.

### Commercial Development

Plans for a 600-acre residential and commercial development located north of I-70 by The Kendall Group of Columbus, Ohio were completed during 2002. The Benchrock Golf Course community development will include an 18-hole golf course, privately owned and operated but open to the public, along with over 1,100 single family homes and townhouses, ranging in price from \$175,000 to \$400,000.

### Residential Development

Huber Heights continued to experience an increase in new residential development during 2002. The Parktowne housing site, a 110-acre development including 255 single-family homes and 25 acres of developable commercial land, continued construction for the year with 56 permits issued for single-family homes. The developer plans to target neighborhood commercial uses for the 25 acres that will provide services to the anticipated 255 families who will be living in the complex. The residential development contains three distinctive areas including empty nester, early family, and upper-scale homes priced between \$100,000 and \$200,000. The development also includes a walking trail that extends the length of the development connecting nearly 10 acres of private parks on the site.

The Heathermere housing development continued construction in 2002 with the platting of single family and multi-family lots. When complete the development will include 69 single-family homes, 120 senior condominiums, 180 upscale multi-family units, and a 56-bed assisted living facility. The Evergreen Woods single-family development continued construction of Phase 3 during 2002. Of the 110 lots in the overall development, 94 permits have been secured for the construction of single-family homes. The 35-lot Lexington Place residential development saw 22 permits secured for the construction of single-family homes in 2002. The overall subdivision will contain over 150 single-family lots with a private recreational area. Elysian Fields continued construction during the year. When complete, the development, a gated private community, will contain 43 condominiums and will have a lake on the site.

## **MAJOR INITIATIVES**

### **For the Year**

The City implemented the seventh year of an aggressive interior street improvement program and enjoyed another successful year in the area of economic development. The City also received for the ninth consecutive year the Certificate of Achievement for Excellence in Financial Reporting, which was awarded by the Government Finance Officers Association of the United States and Canada for the Comprehensive Annual Financial Report for 2001.

Income Taxes: The City continued to experience growth in its income tax revenues during 2002. Currently the City has a 1.95% income tax including: 1% for general fund operations; .5% for public safety operations, which includes police operations and fire capital equipment; .25% for local street improvements; and .20% for local street capital improvements.

Monies generated from the local street improvement income tax – approximately \$1.2 million each year - are dedicated to interior roadway reconstruction, resurfacing, and curb and gutter replacement. This street tax is effective for a five-year period and will be subject to renewal in June 2004. During 2002, the City invested over \$1.2 million toward this annual construction program. Expenditures included the repair and rebuilding of 61 segments of neighborhood streets, and miscellaneous roadway sealing and patching throughout the City. The City also updated its long-range street improvement plan to address the roadway needs of the City, enabling repair of the roadways on a perpetual 15-year cycle. The improvements enhance the City streets and promote the development of and investment in residential and commercial areas.

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

Prior to 2002, the City of Huber Heights contracted with a third party to collect the City's local tax. Due to the large number of uncollected accounts that existed, the City established an in-house collection program. 2002 was the first full year of operations for the new Division of Taxation. Over \$500,000 in previously uncollected monies were recovered. Due to the large volume of delinquent accounts, in October 2002 the City Council permitted an expansion of the division to pursue new initiatives and compliance efforts.

In June of 2001, the City Council authorized the collection of Emergency Medical Service Fees. The revenue generated from the first full year in 2002 totaled over \$945,000. These funds were used to hire six fire fighter/paramedics, a lead fire inspector, a training officer, and a data entry technician for the Fire Division. The funds were also used to purchase various equipment for the division.

The US EPA has mandated that governmental agencies with a population over 10,000 be in compliance with the Clean Water Act of 1972, including the development and implementation of a Storm Water Management Plan no later than March 10, 2003. During 2002 the City established a Storm Water Management Program, setting rates citywide based upon impervious area formulas to fund the program. The monies generated will fully support the operating costs, and an estimated \$300,000 per year in various storm water related capital improvements.

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

#### Capital Improvements:

The Ohio Public Works Commission awarded the City a number of grants ("Issue 2") to finance various projects. Construction for the seventh phase of the widening of State Route 202 began in 2002 with the engineering and design of this final phase to improve State Route 202 to the City's southern corporate boundary. The total project cost for this phase is anticipated to be \$1,520,000 of which the City has been awarded \$970,000 in Issue II grant funding, and \$215,000 in County Motor Vehicle Permissive Tax revenues and \$83,000 from the City of Riverside. The City also anticipates assessing approximately \$50,000 to benefited property owners. Construction is scheduled to be completed by fall 2003.

The City was awarded \$140,000 in Issue II grant funds to finance the road widening of Chambersburg Road, at a total projected cost of \$300,000. The project began in the late fall of 2002 and will be complete in the spring of 2003.

The City was awarded a \$250,000 grant from the US Department of Justice COPS MORE program for the purchase and installation of Mobile Data Terminals (MDT) in front line patrol vehicles. The project, which was completed in September of 2002 provides the hardware and software necessary for wireless network technologies enabling communications between field personnel and the dispatch center. The MDT system provides direct access to information in both the state and federal databases without routing requests through the local communications center, minimizing paper flow and time delays by allowing field personnel to be immediately updated regarding critical calls for service.

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

#### For The Future

Begun in late 1999, the City maintains as its number one goal to improve the I-70 and State Route 202 interchange. To accomplish this goal the City has continued to aggressively pursue major funding from the Transportation Reauthorization Bill for the final engineering design and construction of the interchange along Interstate 70 at State Route 202. The current total estimated cost of the project is \$9 million, with improvements originally planned to begin in 2006. Due to the diligent work of the City the



majority of the funding for this project has been identified including over \$8,200,000 in grants from various federal, state and local transportation agencies. It is anticipated that the remaining \$800,000 will be funded from the creation of a tax increment financing district. Design is completed, and right of way acquisition is in progress. Construction is now anticipated to begin in late 2003.

The City will continue its annual interior street improvement program in 2003 with a \$1.2 million program, to be funded solely from local income tax proceeds. Also scheduled for 2003 is the annual sidewalk repair and replacement program, totaling \$150,000 which cost will be shared by the affected property owners and the City.

Other projects planned for 2003 include: the acquisition of a new telephone system; the construction of an approximately 2 mile roadway to accommodate the new Benchrock Golf Community; engineering for improvements to State Route 201; conceptual planning for a Town Center; and the construction of a new YMCA/Good Samaritan Hospital health care facility.

In conjunction with the Wayne School District, the City entered into a joint telephone system acquisition. The City financed its \$232,244 share with a 7 year lease/purchase in February 2003.

The construction of a 2 mile roadway located within the new Benchrock Golf Course community will connect two of the major State Routes in the City (SR 201 and SR 202). Construction will begin in early spring of 2003. The entire cost of this parkway currently estimated at \$7 million, will be paid from assessments levied on the benefited parcels.

The State of Ohio, Public Works Commission has awarded the City of Huber Heights \$750,000 for the widening of a portion of State Route 201 (Brandt Pike Phase 6). The engineering/design will begin in 2003, with construction anticipated to begin in 2004. Of the total estimated cost of \$1,300,000, the majority is planned to be paid from the grant, permissive taxes and assessments to the abutting properties.

The City is currently working with key leaders in the community to review the possibility of constructing a mixed use Town Center which would incorporate green space, cultural venues and shopping. During 2003 the City, its consultants, and residents of City neighborhoods and businesses will help shape and plan this future downtown.

The Greater Dayton YMCA will begin launching its fundraising campaign to construct an \$8 million, 62,000 square foot facility at the corner of Shull Road and State Route 201, directly across from the City's premier recreational facility-Carriage Hill Park, and adjacent to the new Benchrock Golf Course community. The YMCA will offer a full gymnasium, 6 lane indoor and water therapy pools, indoor family play land, fitness and wellness center, indoor running/walking track, teen center and outdoor game fields. This facility will also be home to an on-site Good Samaritan Hospital Medical Center. As a partner in this important project, the City has committed to lease the ground for the center, and to provide up to \$1.6 million in exchange for recreation programming, office space and the operation of the City municipal pool over the next twenty years.

## Continuing Disclosure

The City is required to provide certain continuing disclosure information in conjunction with various debt offerings. Updated data is provided in the Statistical Section of this report.

## **FINANCIAL INFORMATION**

### Internal Control Structure and Budgetary Controls

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

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

### Financial Condition

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

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

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

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

As part of this new reporting model, management is responsible for preparing a Management's Discussion and Analysis of the City. This discussion follows the Report of the Independent Accountants, providing an assessment of the City finances for 2002.

## **CASH MANAGEMENT**

The City pursues an aggressive cash management program by expediting the receipt of revenues and prudently investing available cash. The total interest earned by the City's governmental and enterprise funds was \$422,597 for the year ended December 31, 2002, which represents an annual interest yield of 1.9% percent of the average investable bank balance for the year. A majority of the City's deposits are collateralized by pooled collateral. By law, financial institutions may establish a collateral pool to cover all public deposits. The market value of the pooled collateral must equal at least 105 percent of the public funds on deposit. Trustees, including the Federal Reserve and designated third party trustees, hold the collateral of the financial institutions. The City regularly reviews the market value of the pool to insure that adequate collateral is being provided. No portion of the City's funds was invested in derivatives.

## **RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disaster. In 2002, the City purchased property, liability and public officials insurance from a traditional carrier.

Beginning in 2002, the City no longer offered a self insurance program to its eligible full time employees. The City elected to allow employees to choose between an HMO and a PPO. The City also provided employee dental and optical insurance benefits. Each department/division receives appropriations to cover the annual premiums and administrative fees.

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

## **OTHER INFORMATION**

### **Independent Audit**

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

### **Awards**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Huber Heights, Ohio, for its Comprehensive Annual Financial Report (CAFR) for the year ended December 31, 2001. This was the ninth consecutive year that the City of Huber Heights has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

### **Acknowledgements**

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

Catherine L. Armocida, CPFO, CGFM  
Director of Finance

# 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, 2001

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



President

Executive Director

CITY OF HUBER HEIGHTS, OHIO

LIST OF PRINCIPAL OFFICIALS

2002 ELECTED CITY OFFICIALS

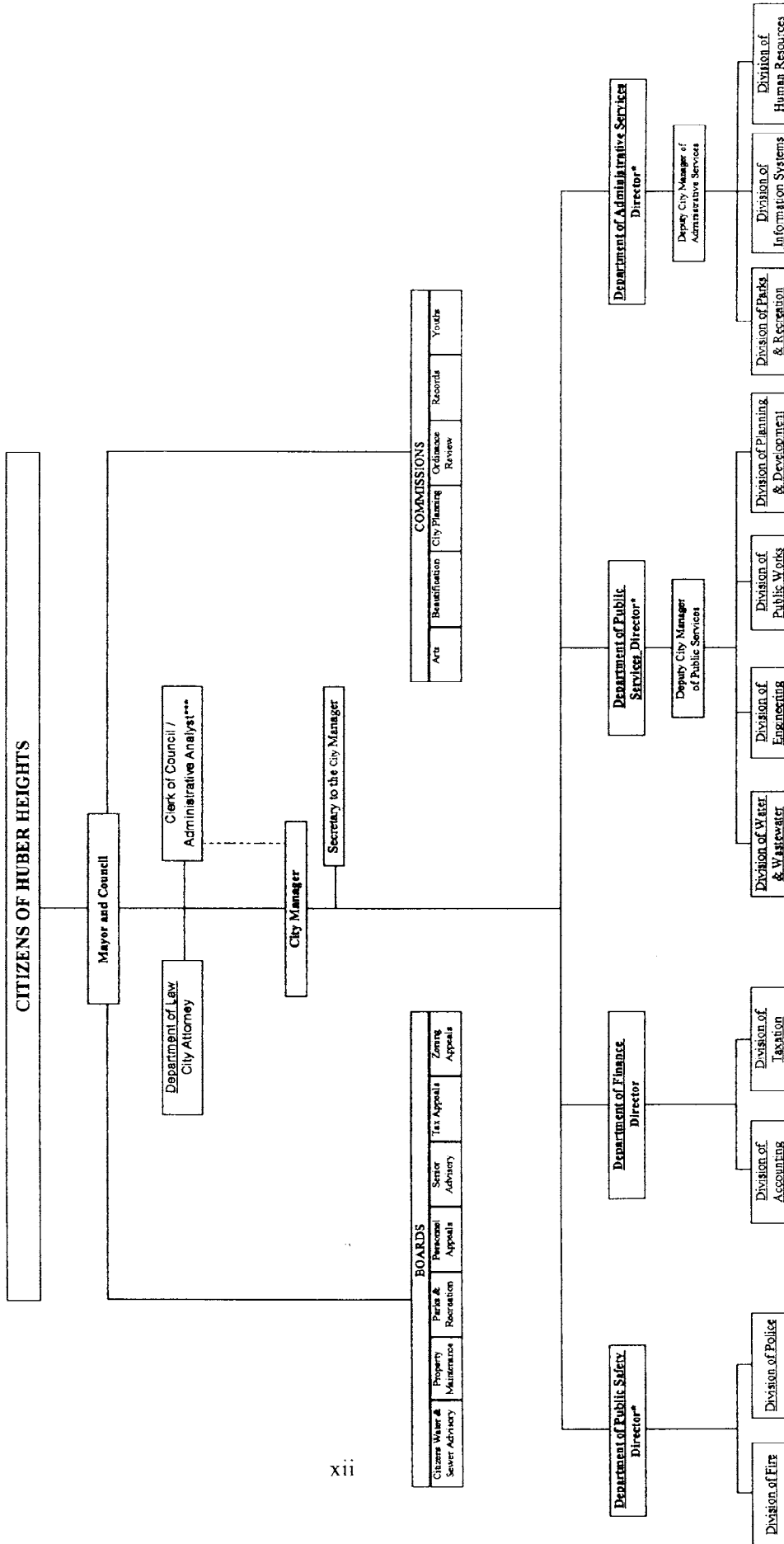
Council Members

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

2002 APPOINTED CITY OFFICIALS

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

City of Huber Heights  
Organizational Chart



\* This function is performed by the City Manager.  
\*\*\* This function is performed by the Deputy City Manager of Administrative Services.

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**Auditor of State  
Betty Montgomery**

**INDEPENDENT ACCOUNTANT'S REPORT**

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Huber Heights, Montgomery County, Ohio (the City), as of and for the year ended December 31, 2002, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Huber Heights, Montgomery County, Ohio, as of December 31, 2002, and the respective changes in financial position and cash flows, where applicable, and the respective budgetary comparison for the General, Police, Fire, and Lighting Funds thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 7, 2003 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information the Governmental Accounting Standards Board requires. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

We conducted our audit to form opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining nonmajor fund statements and schedules and statistical tables are presented for additional analysis and are not a required part of the basic financial statements. The federal awards expenditure schedule is required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements. We subjected the combining nonmajor fund statements and schedules and the federal awards expenditure schedule to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. We did not subject the introductory section and statistical tables to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on them.

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

**Betty Montgomery**  
Auditor of State

May 7, 2003

**City of Huber Heights, Ohio**  
*Management's Discussion and Analysis*  
*For The Year Ended December 31, 2002*

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**MANAGEMENT'S DISCUSSION AND ANALYSIS**

The City of Huber Height's discussion and analysis of the annual financial report provides an overview of the City's financial activities for the fiscal year ended December 31, 2002.

**FINANCIAL HIGHLIGHTS**

The City's total net assets decreased \$467,467. Net assets of governmental activities decreased \$8,166,944 primarily due to a transfer of assets for storm water management to the business-type activities. This transfer of assets was the primary result of business-type activities net assets increasing \$7,699,477.

The general fund transfers out equaled \$7,162,247. \$3,600,000 in transfers for fire operations, \$1,817,000 in transfers for police operations, \$195,000 for debt service obligations, \$836,517 for capital improvements and \$713,730 for support of special revenue fund park maintenance and other governmental programs.

Total business-type operations reflected an operating income. The operating loss experienced by the start-up of the storm water fund was offset by income in the City's other business-type activities. Business-type unrestricted net assets are \$16,615,434.

Capital assets used in governmental activities decreased \$5,795,708. A large portion of this was due to the transfer of assets for storm water management to business-type activities.

**USING THIS ANNUAL FINANCIAL REPORT**

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

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

## REPORTING THE CITY AS A WHOLE

### *Statement of Net Assets and the Statement of Activities*

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

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

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

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

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

## REPORTING THE CITY'S MOST SIGNIFICANT FUNDS

### *Fund Financial Statements*

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

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

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

## THE CITY AS A WHOLE

As stated previously, the Statement of Net Assets looks at the City as a whole. Table 1 provides a summary of the City's net assets for 2002 compared to 2001.

Table 1  
Net Assets  
(In Millions)

	Governmental Activities		Business-Type Activities		Total	
	2002	2001	2002	2001	2002	2001
<b>Assets</b>						
Current and Other Assets	\$35.3	\$34.8	\$6.5	\$5.7	\$41.8	\$40.5
Nondepreciable Capital Assets	21.3	19.0	0.4	0.4	21.7	19.4
Depreciable Capital Assets, Net	66.8	74.9	28.3	22.2	95.1	97.1
Investment in Joint Venture	0.0	0.0	11.9	11.3	11.9	11.3
<b>Total Assets</b>	<b>123.4</b>	<b>128.7</b>	<b>47.1</b>	<b>39.6</b>	<b>170.5</b>	<b>168.3</b>
<b>Liabilities</b>						
Current and Other Liabilities	9.1	4.9	0.6	0.5	9.7	5.4
Long-Term Liabilities: Due Within One Year	2.1	2.0	0.9	1.2	3.0	3.2
Due in More Than One Year	16.6	17.7	16.6	16.6	33.2	34.3
<b>Total Liabilities</b>	<b>27.8</b>	<b>24.6</b>	<b>18.1</b>	<b>18.3</b>	<b>45.9</b>	<b>42.9</b>
<b>Net Assets</b>						
Invested in Capital Assets, Net of Related Debt	72.6	75.6	11.2	4.8	83.8	80.4
Restricted for:						
Fire	1.3	1.5	0.0	0.0	1.3	1.5
Police	2.7	2.8	0.0	0.0	2.7	2.8
Other Purposes	4.4	4.6	0.0	0.0	4.4	4.6
Debt Service	5.9	5.7	0.0	0.0	5.9	5.7
Local Street Capital Improvement	0.6	0.4	0.0	0.0	0.6	0.4
Other Capital Projects	0.0	1.5	0.0	0.0	0.0	1.5
Revenue Bonds Improvement and Replacement	0.0	0.0	0.1	0.1	0.1	0.1
Revenue Bonds Current Debt Service	0.0	0.0	1.1	1.1	1.1	1.1
Unrestricted	8.1	11.7	16.6	15.3	24.7	27.0
<b>Total Net Assets</b>	<b>\$95.6</b>	<b>\$103.8</b>	<b>\$29.0</b>	<b>\$21.3</b>	<b>\$124.6</b>	<b>\$125.1</b>

Net assets of the City's governmental activities decreased \$8,166,944 due to the transfer of storm water assets to business-type activities.

The net assets of the City's business type activities increased \$7,699,477 primarily due to the transfer of assets from the governmental activities for the storm water. Sewer and water reported operating income while storm water reported an operating loss during 2002. Current liabilities increased slightly, only \$0.1 million more than in prior year. The City strives to control operation expenses for business-type activities in order to maintain stability in charges for services.

Table 2 shows the changes in net assets for the year ended December 31, 2002.

Table 2  
Changes in Net Assets  
(In Millions)

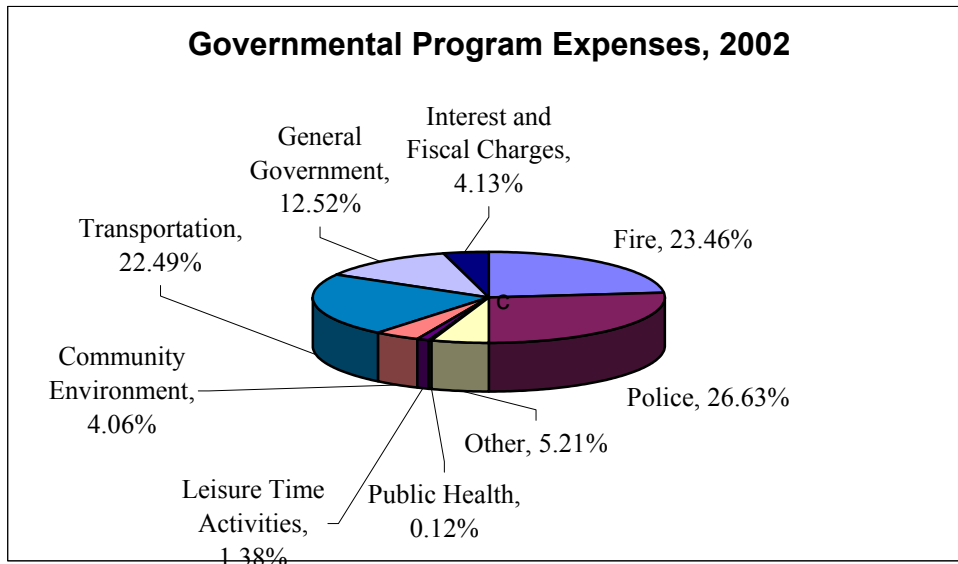
	Governmental Activities		Business-Type Activities		Total	
	2002	2001	2002	2001	2002	2001
Revenues						
Program Revenues:						
Charges for Services	\$2.3	\$2.0	\$5.7	\$5.1	\$8.0	\$7.1
Operating Grants, Contributions and Interest	1.7	4.0	0.0	0.0	1.7	4.0
Capital Grants, Contributions and Interest	0.5	2.4	0.3	0.4	0.8	2.8
Total Program Revenues	<u>4.5</u>	<u>8.4</u>	<u>6.0</u>	<u>5.5</u>	<u>10.5</u>	<u>13.9</u>
General Revenues:						
Property and Other Taxes	3.6	3.6	0.0	0.0	3.6	3.6
Income Taxes	11.2	11.1	0.0	0.0	11.2	11.1
Grants and Entitlements	1.4	1.4	0.0	0.0	1.4	1.4
Other	0.4	1.1	0.6	0.3	1.0	1.4
Total General Revenues	<u>16.6</u>	<u>17.2</u>	<u>0.6</u>	<u>0.3</u>	<u>17.2</u>	<u>17.5</u>
Total Revenues	<u>21.1</u>	<u>25.6</u>	<u>6.6</u>	<u>5.8</u>	<u>27.7</u>	<u>31.4</u>
Program Expenses:						
Security of Persons and Property						
Fire	5.3	4.7	0.0	0.0	5.3	4.7
Police	6.0	5.2	0.0	0.0	6.0	5.2
Other	1.2	1.0	0.0	0.0	1.2	1.0
Leisure Time Activities	0.3	0.2	0.0	0.0	0.3	0.2
Community Environment	0.9	0.8	0.0	0.0	0.9	0.8
Transportation	5.1	4.4	0.0	0.0	5.1	4.4
General Government	2.8	2.5	0.0	0.0	2.8	2.5
Interest and Fiscal Charges	0.9	1.1	0.0	0.0	0.9	1.1
Sewer	0.0	0.0	2.6	2.7	2.6	2.7
Water	0.0	0.0	2.6	2.5	2.6	2.5
Storm Water	0.0	0.0	0.5	0.0	0.5	0.0
Total Expenses	<u>22.5</u>	<u>19.9</u>	<u>5.7</u>	<u>5.2</u>	<u>28.2</u>	<u>25.1</u>
Excess (Deficiency) Before Transfers	(1.4)	5.7	0.9	\$0.6	(0.5)	6.3
Transfers	<u>(6.8)</u>	<u>0.0</u>	<u>6.8</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Increase (Decrease) in Net Assets	<u>(\$8.2)</u>	<u>\$5.7</u>	<u>\$7.7</u>	<u>\$0.6</u>	<u>(\$0.5)</u>	<u>\$6.3</u>

### **Governmental Activities**

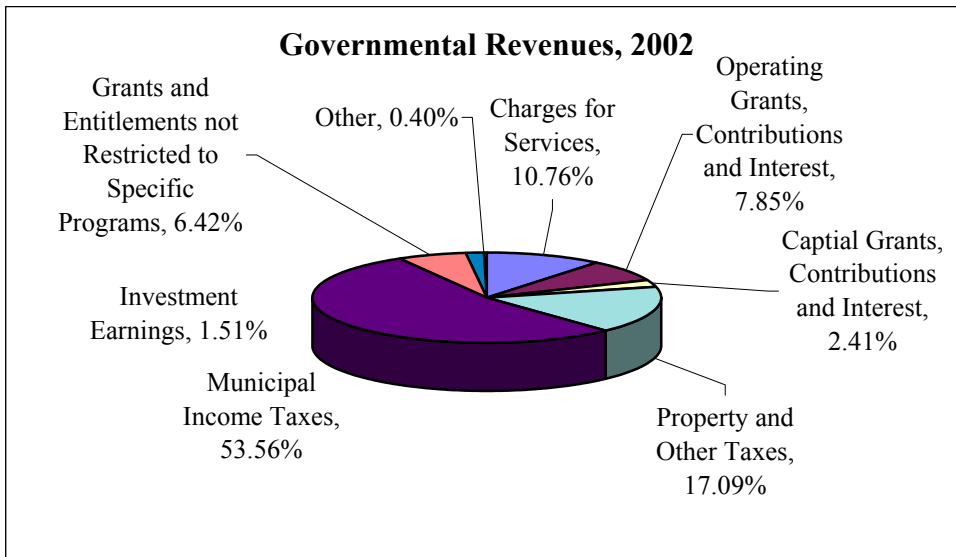
The 1.95% income tax is the largest source of revenue for the City of Huber Heights. By ordinance, 1% of the net income tax received is designated for general fund activities, .5% is designated for public safety, which includes police operations and fire capital equipment, .25% is designated for local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

Since 1996, local income tax revenue has increased annually an average of 7.05%. During 2002, a few of Huber Height's employers went through reorganization and downsizing. However, other companies expanded and new businesses were added to the economic base. It should be noted that during 2002 the City initiated the in-house collection of local income taxes from the City of Dayton which resulted in the collection of delinquencies not previously collected by the City of Dayton.

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



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



When looking at the sources of income to support governmental activities, it should be noted that charges for services are only 10.76% of revenue. Revenues provided by sources other than City residents in the form of operating and capital grants comprise another 16.68%. The remaining revenues are primarily generated locally through property and income taxes. City Council relies on these taxes to furnish the quality of life to businesses and citizens to which they and previous Councils have always been committed.

Program revenues from governmental activities decreased \$3.9 million as a result of a decrease in \$3.1 million of special assessments that were levied in prior year and a decrease of \$0.7 million in Issue II grant revenue. Program expenses for 2002 increased \$2.6 million. The difference between expenses and program revenues for 2002 and 2001 was \$18.1 million and \$11.5 million, respectively. This increase of \$6.6 million resulted in an increase in reliance on general revenues to support the programs of the City.

### ***Business-Type Activities***

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

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

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



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

## **THE CITY'S FUNDS**

Information about the City's major governmental funds begins on page 16. These funds are reported using the modified accrual basis of accounting. All Governmental funds had total revenues of \$21.3 million and expenditures of \$24.8 million. The General fund balance decreased by \$1,316,224. During 2002, income tax revenue increased \$304,154. Within the General fund revenues exceeded expenditures by \$5.5 million. Transfers to other funds such as the Capital Improvement funds, Debt Service funds, and other Special Revenue funds totaled \$7,162,247. The funds transferred were used for capital assets, improvements, repairs, debt and support of special revenue public safety and recreation programs.

The Fire fund balance increased \$104,035. Fund balance at December 31, 2002, was \$2.0 million of which \$669,102 is encumbered primarily for various equipment purchases. The Lighting fund balance decreased \$3,045. Fund balance at December 31, 2002, was \$204,179. The Police fund balance decreased \$86,687. Fund balance at December 31, 2002, was \$2.5 million. The General Obligation Bond Retirement fund balance increased \$3,116, with fund balance at year end of \$726,655. The Special Assessment Bond Retirement fund balance increased \$14,308, with fund balance at year end of \$647,150. The Capital Improvement fund balance decreased \$2,087,572. This was primarily due to the purchase of land. The fund balance deficit at December 31, 2002, was \$1,613,329.

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

The sewer, water and storm water funds' statement of cash flows has a net cash increase of \$74,643, \$212,425 and \$474,034 due to the control exercised over payments made to suppliers for goods and services.

### ***General Fund Budgeting Highlights***

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

During 2002, there were 14 revisions to the General fund budget. The net effect of the revisions was an increase in the appropriations of \$1,722,195. Advances and transfers not originally appropriated accounted for the majority of the increase.

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

Original General fund budgeted revenues including other financing sources were \$10,981,375. The final budgeted amount was \$11,634,672. The unanticipated return of long-term advances was the primary cause of the difference.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### *Capital Assets*

Table 3  
Capital Assets  
(In Millions)

	Governmental Activities		Business-Type Activities		Total	
	2002	2001	2002	2001	2002	2001
Land	\$20.6	\$19.0	\$0.4	\$0.4	\$21.0	\$19.4
Buildings	7.8	8.0	4.1	4.2	11.9	12.2
Equipment	1.3	1.2	0.0	0.0	1.3	1.2
Furniture, Fixtures and Improvements	0.3	0.3	0.0	0.0	0.3	0.3
Vehicles	2.2	2.1	0.0	0.0	2.2	2.1
Infrastructure	55.2	63.3	24.2	18.0	79.4	81.3
Construction in Progress	0.7	0.0	0.0	0.0	0.7	0.0
Totals	<u>\$88.1</u>	<u>\$93.9</u>	<u>\$28.7</u>	<u>\$22.6</u>	<u>\$116.8</u>	<u>\$116.5</u>

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

### *Debt*

At December 31, 2002, the City of Huber Heights had \$38,532,470 in debt outstanding.

Table 4  
Outstanding Debt at Year End

	Governmental Activities		Business-Type Activities	
	2002	2001	2002	2001
Special Assessment Bonds	\$7,250,000	\$7,555,000	\$0	\$0
General Obligation Bonds	9,241,956	10,004,880	0	0
Equipment/Vehicle Loans	1,082,290	1,259,241	114,229	0
Bond Anticipation Notes	3,490,000	0	0	0
Revenue Bonds Payable	0	0	12,250,103	12,423,498
OWDA Loan Payable	0	0	5,103,892	5,687,931
Total	<u>\$21,064,246</u>	<u>\$18,819,121</u>	<u>\$17,468,224</u>	<u>\$18,111,429</u>

Special Assessment bonds will be paid with special assessment revenue.

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

The City's overall 10.5 percent legal debt margin was \$48,682,719 as of December 31, 2002. The more restrictive unvoted legal debt margin within 5.5 percent was \$21,536,905 as of the same date. See Note 14 of the notes to the basic financial statements for more detailed information.

#### **CONTACTING THE CITY'S FINANCE DEPARTMENT**

This financial report is designed to provide our citizens, taxpayers, creditors and investors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact Catherine L. Armocida, CPFO, CGFM, Director of Finance, City of Huber Heights, 6131 Taylorsville Road, Huber Heights, Ohio 45424.

**Basic Financial Statements**

**City of Huber Heights, Ohio**

*Statement of Net Assets*

*December 31, 2002*

	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$19,049,965	\$4,502,919	\$23,552,884
Cash and Cash Equivalents with Fiscal Agents	0	1,336,235	1,336,235
Accrued Interest Receivable	7,580	152	7,732
Accounts Receivable, Net	500,237	733,211	1,233,448
Municipal Income Taxes Receivable, Net	3,476,653	0	3,476,653
Due from Other Governments	1,693,798	0	1,693,798
Property and Other Taxes Receivable	3,488,147	0	3,488,147
Prepaid Items	86,614	6,754	93,368
Supplies Inventory	76,098	1,244	77,342
Deferred Charges	42,194	0	42,194
Special Assessments Receivable	6,836,063	40,395	6,876,458
Nondepreciable Capital Assets	21,300,552	396,406	21,696,958
Depreciable Capital Assets, Net	66,813,316	28,264,575	95,077,891
Investment in Joint Venture	0	11,871,160	11,871,160
<i>Total Assets</i>	<u>123,371,217</u>	<u>47,153,051</u>	<u>170,524,268</u>
<b>Liabilities</b>			
Accounts Payable	773,436	138,031	911,467
Contracts Payable	113,735	0	113,735
Accrued Salaries Payable	449,247	8,649	457,896
Contracts Payable Retainage	46,817	0	46,817
Due to Other Governments	973,395	404,561	1,377,956
Accrued Interest Payable	102,167	123,595	225,762
Notes Payable	3,490,000	0	3,490,000
Deferred Revenue	3,105,569	0	3,105,569
Long-Term Liabilities:			
Due Within One Year	2,134,872	867,232	3,002,104
Due in More Than One Year	16,567,890	16,602,792	33,170,682
<i>Total Liabilities</i>	<u>27,757,128</u>	<u>18,144,860</u>	<u>45,901,988</u>
<b>Net Assets</b>			
Invested in Capital Assets, Net of Related Debt	72,575,670	11,192,757	83,768,427
Restricted for:			
Fire	1,317,846	0	1,317,846
Police	2,694,463	0	2,694,463
Other Purposes	4,341,944	0	4,341,944
Debt Service	5,871,382	0	5,871,382
Local Street Capital Improvement	632,385	0	632,385
Revenue Bonds Improvement and Replacement	0	60,000	60,000
Revenue Bonds Current Debt Service	0	1,140,000	1,140,000
Unrestricted	8,180,399	16,615,434	24,795,833
<i>Total Net Assets</i>	<u>\$95,614,089</u>	<u>\$29,008,191</u>	<u>\$124,622,280</u>

See accompanying notes to the basic financial statements

**City of Huber Heights, Ohio**  
*Statement of Activities*  
For the Year Ended December 31, 2002

	Expenses	Program Revenues		
		Charges for Services	Operating Grants, Contributions and Interest	Capital Grants, Contributions and Interest
<b>Governmental Activities:</b>				
Security of Persons and Property				
Fire	\$5,290,078	\$76,846	\$134,145	\$0
Police	6,004,693	101,577	162,265	0
Other	1,173,945	945,920	45,857	18,710
Public Health	27,142	0	26,102	0
Leisure Time Activities:	310,037	59,846	5,600	0
Community Environment	915,387	141,727	171,596	0
Transportation	5,070,886	773,510	1,117,533	490,794
General Government	2,822,899	180,508	0	0
Interest and Fiscal Charges:	931,452	0	0	0
<i>Total Governmental Activities</i>	<u>22,546,519</u>	<u>2,279,934</u>	<u>1,663,098</u>	<u>509,504</u>
<b>Business-Type Activities:</b>				
Sewer	2,569,255	2,796,505	0	129,409
Water	2,631,999	2,642,578	0	104,454
Storm Water	456,037	247,270	0	39,192
<i>Total Business-Type Activities</i>	<u>5,657,291</u>	<u>5,686,353</u>	<u>0</u>	<u>273,055</u>
<i>Total Activities</i>	<u>\$28,203,810</u>	<u>\$7,966,287</u>	<u>\$1,663,098</u>	<u>\$782,559</u>

**General Revenues**

Property and Other Taxes Levied for:

    General Purposes

    Fire

    Police

    Debt Service

Municipal Income Taxes Levied for

    General Purposes

    Police

    Local Street Improvement

    Local Street Capital Improvement

    Fire Capital Equipment

Grants and Entitlements not Restricted to Specific Program

Investment in Joint Venture

Unrestricted Investment Earning

Increase (Decrease) in Fair Value of Investment

Other

**Transfers**

*Total General Revenues and Transfers*

Change in Net Assets

*Net Assets Beginning of Year - Restated (See Note 19)*

*Net Assets End of Year*

See accompanying notes to the basic financial statement

Net (Expense) Revenue and Changes in Net Asset

Governmental Activities	Business-Type Activities	Total
(\$5,079,087)	\$0	(\$5,079,087)
(5,740,851)	0	(5,740,851)
(163,458)	0	(163,458)
(1,040)	0	(1,040)
(244,591)	0	(244,591)
(602,064)	0	(602,064)
(2,689,049)	0	(2,689,049)
(2,642,391)	0	(2,642,391)
(931,452)	0	(931,452)
<u>(18,093,983)</u>	<u>0</u>	<u>(18,093,983)</u>
0	356,659	356,659
0	115,033	115,033
0	(169,575)	(169,575)
<u>0</u>	<u>302,117</u>	<u>302,117</u>
<u>(18,093,983)</u>	<u>302,117</u>	<u>(17,791,866)</u>
1,230,652	0	1,230,652
1,004,769	0	1,004,769
1,205,736	0	1,205,736
177,609	0	177,609
5,787,873	0	5,787,873
2,547,969	0	2,547,969
1,452,405	0	1,452,405
1,199,861	0	1,199,861
356,846	0	356,846
1,360,770	0	1,360,770
0	521,342	521,342
319,967	82,841	402,808
7,158	(7,970)	(812)
76,571	0	76,571
<u>(6,801,147)</u>	<u>6,801,147</u>	<u>0</u>
<u>9,927,039</u>	<u>7,397,360</u>	<u>17,324,399</u>
(8,166,944)	7,699,477	(467,467)
<u>103,781,033</u>	<u>21,308,714</u>	<u>125,089,747</u>
<u>\$95,614,089</u>	<u>\$29,008,191</u>	<u>\$124,622,280</u>

**City of Huber Heights, Ohio**  
*Balance Sheet*  
*Governmental Funds*  
*December 31, 2002*

	General	Fire	Lighting	Police
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$4,786,891	\$2,321,906	\$232,004	\$2,601,870
Receivables:				
Property and Other Taxes	881,215	1,092,253	0	1,318,791
Municipal Income Taxes, Net	1,783,523	0	0	781,204
Accounts, Net	497,447	981	0	1,479
Special Assessments	0	0	1,539,769	0
Accrued Interest	7,371	0	0	0
Due from Other Governments	670,487	63,013	0	79,409
Prepaid Items	74,752	1,738	0	7,819
Supplies Inventory	20,601	6,375	0	15,141
Interfund Receivable	3,189,312	0	0	0
<i>Total Assets</i>	<u>\$11,911,599</u>	<u>\$3,486,266</u>	<u>\$1,771,773</u>	<u>\$4,805,713</u>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts Payable	\$282,238	\$84,373	\$27,493	\$86,422
Contracts Payable	0	0	0	0
Contracts Payable Retainage	0	0	0	0
Accrued Salaries Payable	90,951	137,013	332	174,665
Due to Other Governments	75,600	111,020	0	126,760
Interfund Payable	0	0	0	0
Deferred Revenue	3,168,095	1,143,027	1,539,769	1,956,863
Accrued Interest Payable	0	0	0	0
Notes Payable	0	0	0	0
<i>Total Liabilities</i>	<u>3,616,884</u>	<u>1,475,433</u>	<u>1,567,594</u>	<u>2,344,710</u>
<b>Fund Balances</b>				
Reserved for Encumbrances	824,962	669,102	61,188	435,330
Reserved for Supplies Inventory	20,601	6,375	0	15,141
Reserved for Long-Term Interfund Loans	1,348,000	0	0	0
Reserved for Unclaimed Monies	7,199	0	0	0
Unreserved:				
Undesignated, Reported in:				
General Fund	6,093,953	0	0	0
Special Revenue Funds	0	1,335,356	142,991	2,010,532
Debt Service Funds	0	0	0	0
Capital Projects Funds (Deficit)	0	0	0	0
<i>Total Fund Balances (Deficit)</i>	<u>8,294,715</u>	<u>2,010,833</u>	<u>204,179</u>	<u>2,461,003</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$11,911,599</u>	<u>\$3,486,266</u>	<u>\$1,771,773</u>	<u>\$4,805,713</u>

See accompanying notes to the basic financial statements



General Obligation Bond Retirement	Special Assessment Bond Retirement	Capital Improvement	Other Governmental Funds	Total Governmental Funds
\$725,722	\$647,150	\$1,467,713	\$6,266,709	\$19,049,965
184,493	0	0	11,395	3,488,147
0	0	0	911,926	3,476,653
0	0	0	330	500,237
0	4,932,877	363,417	0	6,836,063
0	0	0	209	7,580
11,620	0	1,243	868,026	1,693,798
0	0	0	2,305	86,614
0	0	0	33,981	76,098
0	0	0	0	3,189,312
<u>\$921,835</u>	<u>\$5,580,027</u>	<u>\$1,832,373</u>	<u>\$8,094,881</u>	<u>\$38,404,467</u>
\$0	\$0	\$202,372	\$90,538	\$773,436
0	0	76,214	37,521	113,735
0	0	4,833	41,984	46,817
0	0	664	45,622	449,247
0	0	0	81,737	395,117
0	0	967,375	2,221,937	3,189,312
195,180	4,932,877	364,660	1,332,270	14,632,741
0	0	9,584	3,294	12,878
0	0	1,820,000	1,670,000	3,490,000
<u>195,180</u>	<u>4,932,877</u>	<u>3,445,702</u>	<u>5,524,903</u>	<u>23,103,283</u>
1,356	6,449	458,589	1,892,870	4,349,846
0	0	0	33,981	76,098
0	0	0	0	1,348,000
0	0	0	0	7,199
0	0	0	0	6,093,953
0	0	0	1,673,298	5,162,177
725,299	640,701	0	0	1,366,000
0	0	(2,071,918)	(1,030,171)	(3,102,089)
<u>726,655</u>	<u>647,150</u>	<u>(1,613,329)</u>	<u>2,569,978</u>	<u>15,301,184</u>
<u>\$921,835</u>	<u>\$5,580,027</u>	<u>\$1,832,373</u>	<u>\$8,094,881</u>	<u>\$38,404,467</u>

**City of Huber Heights, Ohio**  
*Reconciliation of Total Governmental Fund Balances to  
 Net Assets of Governmental Activities  
 December 31, 2002*

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<b>Total Governmental Fund Balances</b>	<b>\$15,301,184</b>
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*Amounts reported for governmental activities in the statement of net assets are different because:*

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

Capital Assets	88,113,868	
Deferred Charges	42,194	
		88,156,062

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

Municipal Income Taxes	2,569,715	
Property and Other Taxes	355,653	
Intergovernmental	1,304,986	
Special Assessments	6,836,063	
Charges for Services	460,755	
		11,527,172

Total	11,527,172
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Due to other governments includes contractually required pension contributions not expected to be paid with expendable available financial resources and therefore not reported in the funds:

(578,278)

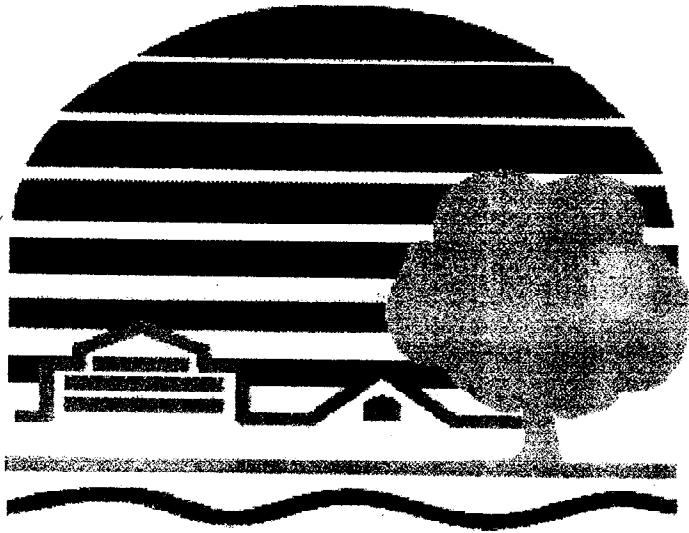
Some liabilities, including bonds payable, loans payable and accrued interest payable, are not due and payable in the current period and therefore are not reported in the funds:

Accrued Interest	(89,289)
Premiums on Refunding Bond	(15,971)
Accounting Loss on Various Purpose Bond	39,015
General Obligation Bonds	(9,265,000)
Special Assessment Bonds	(7,250,000)
Equipment/Vehicle Loans	(1,082,290)
Compensated Absence	(1,128,516)

Total	(18,792,051)
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<i>Net Assets of Governmental Activities</i>	<b>\$95,614,089</b>
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See accompanying notes to the basic financial statement



# HUBER HEIGHTS

*Come Grow With Us!*

**City of Huber Heights, Ohio**  
*Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Governmental Funds*  
*For the Year Ended December 31, 2002*

	General	Fire	Lighting
<b>Revenues</b>			
Municipal Income Taxes	\$5,670,447	\$0	\$0
Property and Other Taxes	1,061,654	1,004,769	0
Intergovernmental	1,396,684	132,138	0
Special Assessments	0	0	379,051
Charges for Services	1,026,182	1,461	0
Fines, Licenses and Permits	161,989	0	0
Interest	319,967	1,811	0
Rent	77,914	1,644	0
Increase in Fair Value of Investments	7,158	0	0
Other	69,445	101,278	0
<i>Total Revenues</i>	<u>9,791,440</u>	<u>1,243,101</u>	<u>379,051</u>
<b>Expenditures</b>			
Current:			
Security of Persons and Property:			
Fire	0	4,859,323	0
Police	0	0	0
Other	659,494	0	382,096
Public Health	0	0	0
Leisure Time Activities	0	0	0
Community Environment	888,614	0	0
Transportation	0	0	0
General Government	2,658,245	0	0
Capital Outlay	0	0	0
Debt Service:			
Principal Retirement	68,103	21,337	0
Interest and Fiscal Charges	4,549	2,097	0
<i>Total Expenditures</i>	<u>4,279,005</u>	<u>4,882,757</u>	<u>382,096</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>5,512,435</u>	<u>(3,639,656)</u>	<u>(3,045)</u>
<b>Other Financing Sources (Uses)</b>			
Long-Term Loans Issued	53,300	133,180	0
Proceeds from Sale of Fixed Assets	157,441	6,835	0
Transfers - In	116,474	3,600,000	0
Transfers - Out	(7,162,247)	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>(6,835,032)</u>	<u>3,740,015</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	(1,322,597)	100,359	(3,045)
<i>Fund Balances Beginning of Year</i>			
	9,610,939	1,906,798	207,224
Increase (Decrease) in Reserve for Inventory	6,373	3,676	0
<i>Fund Balances (Deficit) End of Year</i>	<u>\$8,294,715</u>	<u>\$2,010,833</u>	<u>\$204,179</u>

See accompanying notes to the basic financial statements

Police	General Obligation Bond Retirement	Special Assessment Bond Retirement	Capital Improvement	Other Governmental Funds	Total Governmental Funds
\$2,496,535	\$0	\$0	\$0	\$2,949,072	\$11,116,054
1,205,736	177,609	0	0	167,458	3,617,226
162,088	20,998	0	242,732	1,627,272	3,581,912
0	19,439	184,310	230,683	0	813,483
15,151	0	0	0	54,288	1,097,082
0	0	0	0	6,652	168,641
3,785	0	0	0	14,193	339,756
0	135,936	0	0	860	216,354
0	0	0	0	0	7,158
92,081	984	4,059	1,125	29,556	298,528
<u>3,975,376</u>	<u>354,966</u>	<u>188,369</u>	<u>474,540</u>	<u>4,849,351</u>	<u>21,256,194</u>
0	0	0	0	0	4,859,323
5,740,324	0	0	0	0	5,740,324
0	0	0	0	144,794	1,186,384
0	0	0	0	27,142	27,142
0	0	0	0	270,095	270,095
0	0	0	0	13,275	901,889
0	0	0	0	1,466,131	1,466,131
0	0	0	14,044	0	2,672,289
0	3,443	8,693	3,217,739	1,939,979	5,169,854
216,438	765,000	305,000	0	212,437	1,588,315
16,440	460,447	393,555	9,584	38,303	924,975
<u>5,973,202</u>	<u>1,228,890</u>	<u>707,248</u>	<u>3,241,367</u>	<u>4,112,156</u>	<u>24,806,721</u>
<u>(1,997,826)</u>	<u>(873,924)</u>	<u>(518,879)</u>	<u>(2,766,827)</u>	<u>737,195</u>	<u>(3,550,527)</u>
92,060	0	0	0	62,824	341,364
2,547	0	0	103,141	7,651	277,615
1,817,000	877,040	533,187	836,517	996,922	8,777,140
(2,475)	0	0	(260,403)	(1,693,745)	(9,118,870)
<u>1,909,132</u>	<u>877,040</u>	<u>533,187</u>	<u>679,255</u>	<u>(626,348)</u>	<u>277,249</u>
(88,694)	3,116	14,308	(2,087,572)	110,847	(3,273,278)
2,547,690	723,539	632,842	474,243	2,502,766	18,606,041
2,007	0	0	0	(43,635)	(31,579)
<u>\$2,461,003</u>	<u>\$726,655</u>	<u>\$647,150</u>	<u>(\$1,613,329)</u>	<u>\$2,569,978</u>	<u>\$15,301,184</u>

**City of Huber Heights, Ohio**  
*Reconciliation of the Statement of Revenues, Expenditures and Changes  
in Fund Balances of Governmental Funds to the Statement of Activities  
For the Year Ended December 31, 2002*

**Net Change in Fund Balances - Total Governmental Funds** (\$3,273,278)

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

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

Capital Outlay	4,760,339	
Depreciation	(3,785,745)	
Excess of Capital Outlay over Depreciation Expense		974,594

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

Proceeds from Sale of Fixed Assets	(277,615)	
Loss on Assets Sold	(33,270)	
		(310,885)

Capital assets transferred to business-type activities are reported as transfers on the statement of activities. (6,459,417)

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

General Obligation Bond Principal Payments	765,000	
Special Assessment Bond Principal Payments	305,000	
Equipment/Vehicle Loan Principal Payments	518,315	
		1,588,315

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

Municipal Income Taxes	228,900	
Property and Other Taxes	1,540	
Intergovernmental	(58,954)	
Special Assessments	(248,195)	
Charges for Services	41,116	
Fines, Licenses and Permits	(9,494)	
Other	(30,385)	
		(75,472)

Consumable inventory is reported using the purchase method on a modified accrual basis, but is reported using the consumption method for full accrual. This amount represents the decrease in inventory that took place during the year. (31,579)

The issuance of long-term debt provides current financial resources to governmental funds, but in the statement of net assets, the debt is reported as a liability. (341,364)

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

Amortization of Premium on Refunding Bonds	2,259	
Amortization of Accounting Loss	(4,335)	
Net Decrease in Deferred Charges	(1,103)	
Net Increase in Accrued Interest	(3,298)	
		(6,477)

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

Increase in Compensated Absences	(178,638)	
Increase in Due to Other Governments	(52,743)	
		(231,381)

Change in Net Assets of Governmental Activities (\$8,166,944)

**City of Huber Heights, Ohio**  
*Statement of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Fund*  
*For the Year Ended December 31, 2002*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Municipal Income Taxes:	\$6,357,453	\$5,599,091	\$5,599,091	\$0
Property and Other Taxes	1,002,630	1,060,899	1,060,899	0
Intergovernmental	1,318,942	1,395,593	1,395,593	0
Charges for Services:	983,170	1,040,198	1,040,198	0
Fines, Licenses and Permits:	160,482	169,808	169,808	0
Interest	326,214	345,172	345,172	0
Rent	73,753	78,039	78,039	0
Other	67,409	71,437	71,437	0
<i>Total Revenues</i>	<u>10,290,053</u>	<u>9,760,237</u>	<u>9,760,237</u>	<u>0</u>
<b>Expenditures</b>				
Current:				
Security of Persons and Property				
Other	814,593	809,347	758,328	51,019
Community Environment	1,039,761	1,083,379	996,557	86,822
General Government	3,273,740	3,526,920	3,289,238	237,682
Debt Service:				
Principal Retirement	77,286	77,286	68,103	9,183
Interest and Fiscal Charge:	5,067	5,067	4,549	518
<i>Total Expenditures</i>	<u>5,210,447</u>	<u>5,501,999</u>	<u>5,116,775</u>	<u>385,224</u>
<i>Excess of Revenues Over Expenditures</i>	<u>5,079,606</u>	<u>4,258,238</u>	<u>4,643,462</u>	<u>385,224</u>
<b>Other Financing Sources (Uses)</b>				
Long-Term Loans Issued	50,373	53,300	53,300	0
Proceeds from Sale of Fixed Asset	148,794	157,441	157,441	0
Advances In	375,681	1,547,220	1,547,220	0
Advances Out	(76,000)	(1,352,000)	(1,352,000)	0
Transfers In	116,474	116,474	116,474	0
Transfers Out	(7,007,604)	(7,162,247)	(7,162,247)	0
<i>Total Other Financing Sources (Uses)</i>	<u>(6,392,282)</u>	<u>(6,639,812)</u>	<u>(6,639,812)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(1,312,676)	(2,381,574)	(1,996,350)	385,224
<i>Fund Balance Beginning of Year</i>	5,069,125	5,069,125	5,069,125	0
Prior Year Encumbrances Appropriated	617,327	617,327	617,327	0
<i>Fund Balance End of Year</i>	<u>\$4,373,776</u>	<u>\$3,304,878</u>	<u>\$3,690,102</u>	<u>\$385,224</u>

See accompanying notes to the basic financial statement

**CITY OF HUBER HEIGHTS, OHIO**  
*Statement of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Fire Fund*  
*For the Year Ended December 31, 2002*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Property and Other Taxes	\$929,549	\$1,004,769	\$1,004,769	\$0
Intergovernmental	136,078	138,335	138,335	0
Charges for Services	880	895	895	0
Interest	1,761	1,790	1,790	0
Rent	1,617	1,644	1,644	0
Other	144,936	147,343	147,343	0
<i>Total Revenues</i>	<u>1,214,821</u>	<u>1,294,776</u>	<u>1,294,776</u>	<u>0</u>
<b>Expenditures</b>				
Current:				
Security of Persons and Property	5,761,630	5,988,192	5,571,834	416,358
Debt Service:				
Principal Retirement	35,500	35,500	21,337	14,163
Interest and Fiscal Charges	3,400	3,400	2,097	1,303
<i>Total Expenditures</i>	<u>5,800,530</u>	<u>6,027,092</u>	<u>5,595,268</u>	<u>431,824</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(4,585,709)</u>	<u>(4,732,316)</u>	<u>(4,300,492)</u>	<u>431,824</u>
<b>Other Financing Sources</b>				
Long-Term Loans Issued	131,005	133,180	133,180	0
Proceeds from Sale of Fixed Assets	6,723	6,835	6,835	0
Transfers In	3,600,000	3,600,000	3,600,000	0
<i>Total Other Financing Sources</i>	<u>3,737,728</u>	<u>3,740,015</u>	<u>3,740,015</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	<u>(847,981)</u>	<u>(992,301)</u>	<u>(560,477)</u>	<u>431,824</u>
<i>Fund Balance at Beginning of Year</i>	1,548,528	1,548,528	1,548,528	0
Prior Year Encumbrances Appropriated	578,442	578,442	578,442	0
<i>Fund Balance at End of Year</i>	<u>\$1,278,989</u>	<u>\$1,134,669</u>	<u>\$1,566,493</u>	<u>\$431,824</u>

See accompanying notes to the basic financial statement:



**City of Huber Heights, Ohio**  
*Statement of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Lighting Fund*  
*For the Year Ended December 31, 2002*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Special Assessments	\$400,000	\$379,051	\$379,051	\$0
<i>Total Revenues</i>	400,000	379,051	379,051	0
<b>Expenditures</b>				
Current:				
Security of Persons and Property	435,249	443,248	443,248	0
<i>Total Expenditures</i>	435,249	443,248	443,248	0
<i>Net Change in Fund Balance</i>	(35,249)	(64,197)	(64,197)	0
<i>Fund Balance at Beginning of Year</i>	172,271	172,271	172,271	0
Prior Year Encumbrances Appropriated	35,249	35,249	35,249	0
<i>Fund Balance at End of Year</i>	\$172,271	\$143,323	\$143,323	\$0

See accompanying notes to the basic financial statements

**CITY OF HUBER HEIGHTS, OHIO**  
*Statement of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Police Fund*  
*For the Year Ended December 31, 2002*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Municipal Income Taxes	\$2,452,868	\$2,465,347	\$2,465,347	\$0
Property and Other Taxes	1,107,894	1,205,736	1,205,736	0
Intergovernmental	148,812	161,936	161,936	0
Charges for Services	10,444	11,366	11,366	0
Interest	3,450	3,755	3,755	0
Other	89,242	97,122	97,122	0
<i>Total Revenues</i>	<u>3,812,710</u>	<u>3,945,262</u>	<u>3,945,262</u>	<u>0</u>
<b>Expenditures</b>				
Current:				
Security of Persons and Property	6,308,759	6,448,326	6,100,383	347,943
Debt Service:				
Principal Retirement	235,043	235,043	216,438	18,605
Interest and Fiscal Charges	16,450	16,450	16,440	10
<i>Total Expenditures</i>	<u>6,560,252</u>	<u>6,699,819</u>	<u>6,333,261</u>	<u>366,558</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(2,747,542)</u>	<u>(2,754,557)</u>	<u>(2,387,999)</u>	<u>366,558</u>
<b>Other Financing Sources (Uses)</b>				
Long-Term Loans Issued	84,591	92,060	92,060	0
Proceeds from Sale of Fixed Assets	2,340	2,547	2,547	0
Transfers In	1,475,248	1,817,000	1,817,000	0
Transfers Out	(2,475)	(2,475)	(2,475)	0
<i>Total Other Financing Sources (Uses)</i>	<u>1,559,704</u>	<u>1,909,132</u>	<u>1,909,132</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	<u>(1,187,838)</u>	<u>(845,425)</u>	<u>(478,867)</u>	<u>366,558</u>
<i>Fund Balance at Beginning of Year</i>	1,977,541	1,977,541	1,977,541	0
Prior Year Encumbrances Appropriated	600,037	600,037	600,037	0
<i>Fund Balance at End of Year</i>	<u>\$1,389,740</u>	<u>\$1,732,153</u>	<u>\$2,098,711</u>	<u>\$366,558</u>

See accompanying notes to the basic financial statements

**City of Huber Heights, Ohio**  
*Statement of Fund Net Assets*  
*Enterprise Funds*  
*December 31, 2002*

	Sewer	Water	Storm Water	Total
<b>Assets</b>				
<i>Current Assets:</i>				
Equity in Pooled Cash and Cash Equivalents	\$1,013,468	\$2,955,417	\$474,034	\$4,442,919
Receivables:				
Accounts	365,842	306,880	60,489	733,211
Special Assessments	40,395	0	0	40,395
Accrued Interest	0	152	0	152
Prepaid Items	2,096	4,658	0	6,754
Supplies Inventory	0	1,244	0	1,244
<i>Total Current Assets</i>	<u>1,421,801</u>	<u>3,268,351</u>	<u>534,523</u>	<u>5,224,675</u>
<i>Non-current Assets:</i>				
Restricted Assets:				
Equity in Pooled Cash and Cash Equivalents	0	60,000	0	60,000
Cash and Cash Equivalents with Fiscal Agents	0	1,336,235	0	1,336,235
Capital Assets:				
Nondepreciable Capital Assets	0	396,406	0	396,406
Depreciable Capital Assets, Net	8,809,686	13,061,077	6,393,812	28,264,575
Investment in Joint Venture	11,871,160	0	0	11,871,160
<i>Total Non-current Assets</i>	<u>20,680,846</u>	<u>14,853,718</u>	<u>6,393,812</u>	<u>41,928,376</u>
<i>Total Assets</i>	<u>22,102,647</u>	<u>18,122,069</u>	<u>6,928,335</u>	<u>47,153,051</u>
<b>Liabilities</b>				
<i>Current Liabilities:</i>				
Accounts Payable	1,613	7,799	128,619	138,031
Accrued Salaries Payable	2,716	5,933	0	8,649
Accrued Interest Payable	98,250	0	733	98,983
Due to Other Governments	294,965	107,282	2,314	404,561
Compensated Absences Payable	1,481	319	0	1,800
Loan Payable	0	0	26,278	26,278
OWDA Loan Payable	309,154	0	0	309,154
Payable from Restricted Assets:				
Accrued Interest Payable	0	24,612	0	24,612
Current Portion of Revenue Bonds	0	530,000	0	530,000
<i>Total Current Liabilities</i>	<u>708,179</u>	<u>675,945</u>	<u>157,944</u>	<u>1,542,068</u>
<i>Long-Term Liabilities:</i>				
Loan Payable	0	0	87,951	87,951
OWDA Loan Payable	4,794,738	0	0	4,794,738
Revenue Bonds Payable	0	11,720,103	0	11,720,103
<i>Total Long-Term Liabilities</i>	<u>4,794,738</u>	<u>11,720,103</u>	<u>87,951</u>	<u>16,602,792</u>
<i>Total Liabilities</i>	<u>5,502,917</u>	<u>12,396,048</u>	<u>245,895</u>	<u>18,144,860</u>
<b>Net Assets</b>				
Invested in Capital Assets, Net of Related Debt	3,705,794	1,207,380	6,279,583	11,192,757
Restricted:				
Revenue Bonds Improvement and Replacement	0	60,000	0	60,000
Revenue Bonds Current Debt Service	0	1,140,000	0	1,140,000
Unrestricted	12,893,936	3,318,641	402,857	16,615,434
<i>Total Net Assets</i>	<u>\$16,599,730</u>	<u>\$5,726,021</u>	<u>\$6,682,440</u>	<u>\$29,008,191</u>

See accompanying notes to the basic financial statements

**City of Huber Heights, Ohio**  
*Statement of Revenues,  
Expenses and Changes in Fund Net Assets  
Enterprise Funds  
For the Year Ended December 31, 2002*

	Sewer	Water	Storm Water	Total
<b>Operating Revenues</b>				
Charges for Services	\$2,755,805	\$1,812,800	\$247,270	\$4,815,875
Charges for Services - Pledged for Debt Service	0	746,531	0	746,531
Tap-In Fees	40,700	68,650	0	109,350
Rent	0	12,000	0	12,000
Other	0	2,597	0	2,597
<i>Total Operating Revenues</i>	<u>2,796,505</u>	<u>2,642,578</u>	<u>247,270</u>	<u>5,686,353</u>
<b>Operating Expenses</b>				
Personal Services	52,429	109,311	0	161,740
Operations and Maintenance	2,106,964	1,475,826	319,108	3,901,898
Depreciation	210,470	324,112	133,738	668,320
<i>Total Operating Expenses</i>	<u>2,369,863</u>	<u>1,909,249</u>	<u>452,846</u>	<u>4,731,958</u>
<i>Operating Income(Loss)</i>	<u>426,642</u>	<u>733,329</u>	<u>(205,576)</u>	<u>954,395</u>
<b>Non-Operating Revenues (Expenses)</b>				
Interest	9,418	71,755	1,668	82,841
Interest and Fiscal Charges	(199,392)	(722,750)	(3,191)	(925,333)
Decrease in Fair Value of Investments	0	(7,970)	0	(7,970)
Return on Investment in Joint Venture	521,342	0	0	521,342
<i>Total Non-Operating Revenues (Expenses)</i>	<u>331,368</u>	<u>(658,965)</u>	<u>(1,523)</u>	<u>(329,120)</u>
<i>Income (Loss) Before Capital Contribution and Transfers</i>	758,010	74,364	(207,099)	625,275
Capital Contributions	129,409	104,454	6,498,609	6,732,472
Transfers In	0	0	390,930	390,930
Transfers Out	0	(49,200)	0	(49,200)
<i>Change in Net Assets</i>	887,419	129,618	6,682,440	7,699,477
<i>Net Assets Beginning of Year</i>	<u>15,712,311</u>	<u>5,596,403</u>	<u>0</u>	<u>21,308,714</u>
<i>Net Assets End of Year</i>	<u>\$16,599,730</u>	<u>\$5,726,021</u>	<u>\$6,682,440</u>	<u>\$29,008,191</u>

See accompanying notes to the basic financial statement

**City of Huber Heights, Ohio**  
**Statement of Cash Flows**  
**Enterprise Funds**  
For the Year Ended December 31, 2002

	Sewer	Water	Storm Water	Total
<b>Increase (Decrease) in Cash and Cash Equivalents:</b>				
<b>Cash Flows from Operating Activities</b>				
Cash Received from Customers	\$2,741,480	\$2,592,582	\$186,781	\$5,520,843
Other Operating Receipts	0	3,943	0	3,943
Cash Payments for Employee Services and Benefits	(54,002)	(110,968)	(62,540)	(227,510)
Cash Payments to Suppliers for Goods and Services	(2,119,546)	(1,467,933)	(125,635)	(3,713,114)
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>567,932</u>	<u>1,017,624</u>	<u>(1,394)</u>	<u>1,584,162</u>
<b>Cash Flows from Noncapital Financing Activities</b>				
Advances - Out	0	0	(32,000)	(32,000)
Transfers - In	0	0	422,930	422,930
Transfers - Out	0	(49,200)	0	(49,200)
<i>Net Cash Provided By (Used for) Noncapital Financing Activities</i>	<u>0</u>	<u>(49,200)</u>	<u>390,930</u>	<u>341,730</u>
<b>Cash Flows from Capital and Related Financing Activities</b>				
Acquisition of Capital Assets	0	(23,306)	(28,941)	(52,247)
Interest Paid on OWDA Loan Payable	(205,120)	0	0	(205,120)
Principal Paid on OWDA Loan Payable	(297,587)	0	0	(297,587)
Principal Paid on Loan Payable	0	0	(12,771)	(12,771)
Interest Paid on Loan Payable	0	0	(2,458)	(2,458)
Proceeds of Loan	0	0	127,000	127,000
Interest Paid on Revenue Bonds Payable	0	(317,843)	0	(317,843)
Principal Paid on Revenue Bonds Payable	0	(490,000)	0	(490,000)
<i>Net Cash Provided By (Used for) Capital and Related Financing Activities</i>	<u>(502,707)</u>	<u>(831,149)</u>	<u>82,830</u>	<u>(1,251,026)</u>
<b>Cash Flows from Investing Activities</b>				
Interest	9,418	75,150	1,668	86,236
<i>Net Increase in Cash and Cash Equivalents</i>	74,643	212,425	474,034	761,102
<i>Cash and Cash Equivalents Beginning of Year</i>	938,825	4,139,227	0	5,078,052
<i>Cash and Cash Equivalents End of Year</i>	<u>\$1,013,468</u>	<u>\$4,351,652</u>	<u>\$474,034</u>	<u>\$5,839,154</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:</b>				
<b>Operating Income (Loss)</b>	\$426,642	\$733,329	(\$205,576)	\$954,395
<b>Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:</b>				
Depreciation	210,470	324,112	133,738	668,320
<b>Changes in Assets and Liabilities:</b>				
Increase in Accounts Receivable	(70,001)	(45,916)	(60,489)	(176,406)
Decrease in Special Assessments Receivable	14,976	0	0	14,976
Increase in Supplies Inventory	0	(459)	0	(459)
Increase in Accounts Payable	1,499	7,355	128,619	137,473
Increase in Accrued Salaries Payable	484	2,275	0	2,759
Increase (Decrease) in Due to Other Governments	(14,383)	364	2,314	(11,705)
Decrease in Compensated Absences Payable	(1,755)	(3,436)	0	(5,191)
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>\$567,932</u>	<u>\$1,017,624</u>	<u>(\$1,394)</u>	<u>\$1,584,162</u>

**Non-Cash Transactions:**

During 2002, the Sewer and Water Enterprise Funds had capital contributions for fixed assets from developers with a fair market value of \$129,409, \$104,454, respectively. The Storm Water Enterprise Fund had capital contributions from governmental funds for fixed assets of \$6,498,609. The Water Enterprise Fund had a decrease in fair value of investments of \$7,970. Also, the Water Enterprise Fund had accretion of capital appreciation bonds in the amount of \$406,782.

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, 2002

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

**Reporting Entity**

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

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

The City participates in the Tri-Cities North Regional Wastewater Authority (Wastewater Authority) and the Joint Economic Development District (JEDD), which are defined as joint ventures. A joint venture is a legal entity or other organization that results from a contractual arrangement and that is owned, operated, or governed by two or more participants as a separate and specific activity subject to joint control, in which the participants retain (a) an ongoing financial interest or (b) an ongoing financial responsibility. These organizations are presented in Note 17.

The City also participates in the Miami Valley Regional Planning Commission (the Commission), the Miami Valley Fire/EMS Alliance (the Alliance), and the Economic Development/Government Equity (ED/GE) Program, which are defined as jointly governed organizations. A jointly governed organization is governed by representatives from each of the governments that create the organizations, but there is no ongoing financial interest or responsibility on the part of the participating governments. These organizations are presented in Note 18.

**City of Huber Heights, Ohio**  
*Notes to the Basic Financial Statements*  
For the Year Ended December 31, 2002

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**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 proprietary funds provided they do not conflict with or contradict GASB pronouncements. The most significant of the City's accounting policies are described below.

**Basis of Presentation**

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

**Government-Wide Financial Statements**

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

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

**Fund Financial Statements**

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

**City of Huber Heights, Ohio**  
*Notes to the Basic Financial Statements*  
For the Year Ended December 31, 2002

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NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Accounting

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

Governmental Funds

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

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

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

Lighting Fund - This fund is used to account for special assessments to provide street lighting within the City neighborhoods.

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.

General Obligation Bond Retirement Fund – This fund is used to account for various revenues collected for the payment of general obligation bonded debt.

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

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

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

Proprietary Funds

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



**City of Huber Heights, Ohio**  
*Notes to the Basic Financial Statements*  
For the Year Ended December 31, 2002

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NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

Storm Water Fund – This fund was established in February 2002 and is used to account for charges for services used to fund 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 on net assets. The statement of activities presents increases (i.e. revenues) and decreases (i.e. expenses) in total net assets.

Fund Financial Statements

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

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

**City of Huber Heights, Ohio**  
*Notes to the Basic Financial Statements*  
For the Year Ended December 31, 2002

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NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Accounting

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

Revenues - Exchange and Non-exchange Transaction

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

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

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

Deferred Revenue

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

Property taxes for which there is an enforceable legal claim as of December 31, 2002, but were levied to finance 2003 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met have also been recorded as deferred revenue.

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

**City of Huber Heights, Ohio**  
*Notes to the Basic Financial Statements*  
For the Year Ended December 31, 2002

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NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Expenses/Expenditures

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

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

Cash and Cash Equivalents

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

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

During 2002, the City invested in the State Treasury Asset Reserve of Ohio (STAR Ohio), Federal Home Loan Bank Bonds, Federal National Mortgage Association Medium Bonds, Federal National Mortgage Association Bonds, The One Group Treasury Only Money Market Mutual Fund, First American US Treasury Reserve Money Market Mutual Fund, and a repurchase agreement.

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

The City has invested funds in STAR Ohio during 2002. 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, 2002.

Interest income is distributed to the funds according to charter and statutory requirements. Interest revenue of \$319,967 was credited to the General Fund during 2002, which includes \$246,438 assigned from other City funds.

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

Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2002, are recorded as prepaid items using the consumption method. A current asset is recorded for the prepaid amount at the time of purchase and reflects the expenditure/expense in the year in which services are consumed.

**City of Huber Heights, Ohio**  
*Notes to the Basic Financial Statements*  
 For the Year Ended December 31, 2002

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Inventory of Supplies

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

Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, or laws of other governments, or are imposed by law through constitutional provisions or enabling legislation. Restricted assets in the enterprise funds represent cash and cash equivalents and cash and cash equivalents with fiscal agents set aside for the improvement and replacement of fixed 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 rise from governmental activities. They generally result from expenditures in governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements. Capital assets used by the enterprise funds are reported in both the business-type activities column of the government-wide statement of net assets and in the respective funds.

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

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

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

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

**City of Huber Heights, Ohio**  
*Notes to the Basic Financial Statements*  
For the Year Ended December 31, 2002

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NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Interfund Balances

On fund financial statements, outstanding interfund loans and unpaid amounts for interfund services are reported as “interfund receivables/payables.” On fund financial statements, long-term interfund loans are classified as a fund balance reserve account on the balance sheet which indicates that they do not constitute available expendable resources.

Compensated Absences

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

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

Accrued Liabilities and Long-Term Obligations

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

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

Accounting Loss

A current refunding of bonds in a prior year caused an accounting loss (difference between the reacquisition price and the net carrying amount of the old debt) which is being amortized over the remaining life of the new debt.

Capital Contributions

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

**City of Huber Heights, Ohio**  
*Notes to the Basic Financial Statements*  
For the Year Ended December 31, 2002

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NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

Operating Revenues and Expenses

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

Fund Balance Reserves

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

Interfund Transactions

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

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

Bond Discounts/Issuance Costs/Accounting Loss/Compounded Interest on Capital Appreciation Bonds

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

**City of Huber Heights, Ohio**  
*Notes to the Basic Financial Statements*  
For the Year Ended December 31, 2002

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NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Estimates

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

Budgetary Process

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

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the Finance Director. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the final certificate requested during 2002.

The appropriation resolution is subject to amendment by Council throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation resolution for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by Council during the year.

NOTE 3 – BUDGETARY BASIS OF ACCOUNTING

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

**City of Huber Heights, Ohio**  
*Notes to the Basic Financial Statements*  
For the Year Ended December 31, 2002

**NOTE 3 – BUDGETARY BASIS OF ACCOUNTING** (Continued)

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

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

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

	Net Change in Fund Balance			
	General Fund	Fire Fund	Lighting Fund	Police Fund
GAAP Basis	(\$1,322,597)	\$100,359	(\$3,045)	(\$88,694)
Adjustments:				
Revenue Accruals	(45,117)	51,696	0	(30,486)
Expenditure Accruals	191,382	41,831	27,529	131,663
Unrecorded Cash – 2001	57,149	144	0	12,250
Unrecorded Cash – 2002	(36,077)	(165)	0	(11,878)
Prepaid Items	17,432	906	0	(441)
Change in Fair Value of Investments – 2001	6,970	0	0	0
Change in Fair Value of Investments – 2002	(14,128)	0	0	0
Encumbrances	(1,046,584)	(755,248)	(88,681)	(491,281)
Advances	195,220	0	0	0
Budget Basis	<u>(\$1,996,350)</u>	<u>(\$560,477)</u>	<u>(\$64,197)</u>	<u>(\$478,867)</u>



**City of Huber Heights, Ohio**  
*Notes to the Basic Financial Statements*  
For the Year Ended December 31, 2002

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NOTE 4 - FUND DEFICITS

The following governmental funds had fund balances deficit at December 31, 2002:

	<u>Deficit</u>
Prevention, Retention and Contingency-Development Reserve Special Revenue Fund	\$17,531
Capital Improvement Capital Projects Fund	1,613,329

The deficit in the special revenue fund is the result of fund liabilities. The General Fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

The deficit in the capital projects fund is the result of the notes payable. The deficit will be eliminated when bonds are issued.

NOTE 5 - DEPOSITS AND INVESTMENTS

The investment and deposit of City monies are governed by the Ohio Revised Code. State statutes classify monies held by the City into three categories.

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

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

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

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

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

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

**City of Huber Heights, Ohio**  
*Notes to the Basic Financial Statements*  
For the Year Ended December 31, 2002

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**NOTE 5 - DEPOSITS AND INVESTMENTS (Continued)**

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

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

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

At year end, the City had \$26,559 in undeposited cash on hand which is included on the balance sheet of the City as part of "equity in pooled cash and cash equivalents".

**City of Huber Heights, Ohio**  
*Notes to the Basic Financial Statements*  
For the Year Ended December 31, 2002

**NOTE 5 - DEPOSITS AND INVESTMENTS (Continued)**

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

Deposits

At year end, the carrying amount of the City's deposits was \$1,288,328 and the related bank balance was \$1,371,600. Of the bank balance, \$300,000 was covered by federal deposit insurance, and \$1,071,600 was uninsured and uncollateralized. Although the securities serving as collateral were held by the pledging financial institution's trust department in the City's name and all State statutory requirements for the deposit of money had been followed, noncompliance with federal requirements could potentially subject the City to a successful claim by the Federal Deposit Insurance Corporation.

Investments

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

	Category 2	Category 3	Carrying and Fair Value
STAR Ohio	\$0	\$0	\$9,541,835
The One Group Treasury Only Money Market Mutual Fund	0	0	6,416,952
First American US Treasury Reserve Money Market Mutual Fund	0	0	1,336,235
Federal National Mortgage Association Medium Bonds	756,643	0	756,643
Federal National Mortgage Association Bonds	504,530	0	504,530
Federal Home Loan Bank Bonds	3,722,055		3,722,055
Repurchase Agreement	0	1,295,982	1,295,982
<b>Total</b>	<b>\$4,983,228</b>	<b>\$1,295,982</b>	<b>\$23,574,232</b>

**City of Huber Heights, Ohio**  
*Notes to the Basic Financial Statements*  
For the Year Ended December 31, 2002

**NOTE 5 - DEPOSITS AND INVESTMENTS (Continued)**

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

	Cash and Cash Equivalents/Deposits	Investments
GASB Statement 9	\$24,889,119	\$0
Cash on Hand	(26,559)	0
STAR Ohio	(9,541,835)	9,541,835
The One Group Treasury Only		
Money Market Mutual Fund	(6,416,952)	6,416,952
First American US Treasury Reserve		
Money Market Mutual Fund	(1,336,235)	1,336,235
Federal National Mortgage Association Medium Bonds	(756,643)	756,643
Federal National Mortgage Association Bonds	(504,530)	504,530
Federal Home Loan Bank Bonds	(3,722,055)	3,722,055
Repurchase Agreement	(1,295,982)	1,295,982
GASB Statement 3	\$1,288,328	\$23,574,232

**NOTE 6 - RECEIVABLES**

Receivables at December 31, 2002, consisted of property and other taxes, municipal income taxes, accounts (including emergency medical services and billings for utility service), special assessments, accrued interest, interfund, and intergovernmental receivables arising from entitlements, grants, and shared revenues. Utility Accounts Receivable at December 31, 2002, was \$733,211. All receivables, except some municipal income tax revenues and emergency medical service charges for services revenues, are considered collectible in full. Some municipal income tax revenues for outstanding accounts greater than three years old are considered uncollectible, as well as emergency medical service calls that have insurance adjustments or no further collections from indigents. Total municipal income taxes receivable was \$4,891,400, and the uncollectible portion was \$1,414,747, for a net receivable of \$3,476,653. Total emergency medical service calls receivable was \$832,317 and the uncollectible portion was \$424,482, for net accounts receivable of \$407,835. Total net accounts receivable of \$500,237 is the sum of other miscellaneous accounts receivable of \$92,402 and the \$407,835.

Special assessments expected to be collected in more than one year in the Lighting Special Revenue Fund, Special Assessment Bond Retirement Debt Service Fund, the Capital Improvement Capital Projects Fund, and the Sewer Enterprise Fund amount to \$1,139,963, \$4,331,090, \$170,404, and \$16,704, respectively. At December 31, 2002, the amount of delinquent special assessments was \$81,033.

**City of Huber Heights, Ohio**  
*Notes to the Basic Financial Statements*  
For the Year Ended December 31, 2002

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NOTE 6 - RECEIVABLES (Continued)

Property Taxes

Property taxes include amounts levied against all real, public utility, and tangible personal property located in the City. Property tax revenue received during 2002 for real and public utility property taxes represents collections of the 2001 taxes. Property tax payments received during 2002 for tangible personal property (other than public utility property) is for 2002 taxes.

2002 real property taxes are levied after October 1, 2002, on the assessed value as of January 1, 2002, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2002 real property taxes are collected in and intended to finance 2003.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2002 public utility property taxes became a lien December 31, 2001, are levied after October 1, 2002, and are collected in 2003 with real property taxes.

2002 tangible personal property taxes are levied after October 1, 2001, on the value as of December 31, 2001. Collections are made in 2002. Tangible personal property assessments are 25 percent of true value for capital assets and 24 percent of true value for inventory.

The full tax rate for all City operations for the year ended December 31, 2002, was \$11.64 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2002 property tax receipts were based are as follows:

Real Property	\$510,407,970
Public Utility Tangible Personal Property	14,879,460
Tangible Personal Property	<u>47,328,856</u>
Total	<u><u>\$572,616,286</u></u>

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

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

The County Treasurer collects property taxes on behalf of all taxing districts in the county, including the City of Huber Heights. The County Auditor periodically remits to the City its portion of the taxes collected. Property taxes receivable represent real and tangible personal property taxes, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2002, 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 2002 operations and the collection of delinquent taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as revenue while the remainder of the receivable is deferred.

Income Taxes

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

**City of Huber Heights, Ohio**  
*Notes to the Basic Financial Statements*  
For the Year Ended December 31, 2002

NOTE 6 – RECEIVABLES (Continued)

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

Due from Other Governments

A summary of intergovernmental receivables follows:

<u>Governmental Activities</u>	
Liquor Permits	\$1,224
Local Government and Local Government Assistance	596,604
Homestead and Rollback	166,730
Huber Heights City School District	5,854
Montgomery County Courts	4,344
City of Riverside	46,303
Personal Property Exemption	31,018
Estate Tax	18,442
EMS Grant	240
Ohio Police and Fire Pension Fund	426
Community Development Block Grant	111,435
Cops More	1,243
Economic Development/Government Equity Grant	55,003
Issue II	101,587
Prevention, Retention, and Contingency Development Grant	17,531
Gasoline Tax	114,964
Cents per Gallon	237,211
Motor Vehicle License	172,225
County Permissive Motor Vehicle License	5,814
Land Conservation Agreement	5,600
Total Intergovernmental Receivables	<u>\$1,693,798</u>

**City of Huber Heights, Ohio**  
*Notes to the Basic Financial Statements*  
For the Year Ended December 31, 2002

**NOTE 7 – CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2002, was as follows:

	Balance at 12/31/01	Additions	Deductions	Balance at 12/31/02
Governmental Activities				
Capital Assets, not being Depreciated:				
Land	\$19,025,438	\$1,763,010	(\$160,154)	\$20,628,294
Construction in Progress	0	672,258	0	672,258
Total Capital Assets, not being Depreciated	<u>19,025,438</u>	<u>2,435,268</u>	<u>(160,154)</u>	<u>21,300,552</u>
Depreciable Capital Assets:				
Buildings	9,476,450	0	0	9,476,450
Equipment	2,133,712	392,443	(217,530)	2,308,625
Furniture, Fixtures and Improvements	401,965	5,531	0	407,496
Vehicles	3,519,928	436,046	(157,562)	3,798,412
Infrastructure				
Bridges	616,000	131,659	0	747,659
Roads	158,998,016	1,324,047	0	160,322,063
Storm Sewers	7,883,999	35,345	(7,919,344)	0
Other	4,494,144	0	0	4,494,144
Total Depreciable Capital Assets	<u>187,524,214</u>	<u>2,325,071</u>	<u>(8,294,436)</u>	<u>181,554,849</u>
Total Capital Assets at Historical Cost	<u>206,549,652</u>	<u>4,760,339</u>	<u>(8,454,590)</u>	<u>202,855,401</u>
Less Accumulated Depreciation:				
Buildings	(1,475,371)	(189,987)	0	(1,665,358)
Equipment	(963,504)	(154,152)	120,043	(997,613)
Furniture, Fixtures and Improvements	(94,093)	(17,613)	0	(111,706)
Vehicles	(1,393,370)	(344,980)	104,318	(1,634,032)
Infrastructure				
Bridges	(422,262)	(10,721)	0	(432,983)
Roads	(104,441,367)	(2,835,705)	0	(107,277,072)
Storm Sewers	(1,459,927)	0	1,459,927	0
Other	(2,390,182)	(232,587)	0	(2,622,769)
Total Accumulated Depreciation	<u>(112,640,076)</u>	<u>(3,785,745)</u>	<u>1,684,288</u>	<u>(114,741,533)</u>
Depreciable Capital Assets, Net	<u>74,884,138</u>	<u>(1,460,674)</u>	<u>(6,610,148)</u>	<u>66,813,316</u>
Governmental Activities Capital Assets, Net	<u>\$93,909,576</u>	<u>\$974,594</u>	<u>(\$6,770,302)</u>	<u>\$88,113,868</u>

**City of Huber Heights, Ohio**  
*Notes to the Basic Financial Statements*  
For the Year Ended December 31, 2002

**NOTE 7 – CAPITAL ASSETS (Continued)**

	Balance at 12/31/01	Additions	Deductions	Balance at 12/31/02
Business-Type Activities				
Capital Assets, not being Depreciated:				
Land	\$373,100	\$0	\$0	\$373,100
Construction in Progress	14,985	23,306	(14,985)	23,306
Total Capital Assets, not being Depreciated	388,085	23,306	(14,985)	396,406
Depreciable Capital Assets:				
Buildings	5,003,067	0	0	5,003,067
Equipment	75,019	28,941	0	103,960
Infrastructure				
Sewer Lines	9,524,800	144,394	0	9,669,194
Water Lines	10,908,412	104,454	0	11,012,866
Storm Sewer	0	7,958,535	0	7,958,535
Total Depreciable Capital Assets	25,511,298	8,236,324	0	33,747,622
Total Capital Assets at Historical Cost	25,899,383	8,259,630	(14,985)	34,144,028
Less Accumulated Depreciation:				
Buildings	(756,392)	(100,064)	0	(856,456)
Equipment	(61,049)	(9,312)	0	(70,361)
Infrastructure				
Sewer Lines	(1,272,085)	(191,330)	0	(1,463,415)
Water Lines	(1,265,274)	(233,876)	0	(1,499,150)
Storm Sewer	0	(1,593,665)	0	(1,593,665)
Total Accumulated Depreciation	(3,354,800)	(2,128,247)	0	(5,483,047)
Depreciable Capital Assets, Net	22,156,498	6,108,077	0	28,264,575
Business-Type Activities Capital Assets, Net	\$22,544,583	\$6,131,383	(\$14,985)	\$28,660,981

Depreciation expense was charged to governmental programs as follows:

Security of Persons and Property	
Fire	\$168,063
Police	252,951
Other	11,157
Leisure Time Activities	42,933
Transportation	3,198,623
General Government	112,018
Total Depreciation Expense	<u>\$3,785,745</u>



**City of Huber Heights, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2002*

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**NOTE 8 - DEFINED BENEFIT PENSION PLANS**

**Ohio Public Employees Retirement System**

All full-time employees, other than non-administrative full-time police officers and firefighters, participate in the Ohio Public Employees Retirement System (OPERS), a cost-sharing multiple-employer public employee retirement system administered by the Ohio Public Employees Retirement Board. OPERS provides basic retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Benefits are established by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report which may be obtained by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642.

Plan members are required to contribute 8.5 percent of their annual covered salary to fund pension obligations. The 2002 employer pension contribution rate for the City was 8.55 percent of covered payroll, decreased from 9.25 percent in 2001. Contributions are authorized by State statute. The contribution rates are determined actuarially. The City's required contributions to OPERS for the years ended December 31, 2002, 2001, and 2000 were \$267,329, \$295,826, and \$140,376, respectively. The full amount has been contributed for 2001 and 2000. 68 percent has been contributed for 2002, with the remainder being presented as "due to other governments" in the governmental activities column of the statement of net assets.

**Ohio Police and Fire Pension Fund**

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

Police and firefighters are required to contribute 10 percent of their annual covered salary to fund pension obligations and the City is required to contribute 11.75 percent for police and 16.25 percent for firefighters. For 2001, the City contributions were 12.00 percent for police and 16.50 percent for firefighters. Contributions are authorized by State statute. The City's contributions to the OP&F for police and firefighters were \$383,401 and \$460,328 for the year ended December 31, 2002, \$381,517 and \$414,255 for the year ended December 31, 2001, and \$371,532 and \$418,998 for the year ended December 31, 2000. The full amount has been contributed for 2001 and 2000. 67 percent and 66 percent, respectively, have been contributed for 2002 with the remainder being presented as "due to other governments" in the governmental activities column of the statement of net assets.

**NOTE 9 - POSTEMPLOYMENT BENEFITS**

**Ohio Public Employees Retirement System**

The Ohio Public Employees Retirement System (OPERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit. Health care coverage for disability recipients and primary survivor recipients is available. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit as described in GASB Statement No. 12. A portion of each employer's contribution to OPERS is set aside for the funding of postretirement health care based on authority granted by State statute.

**City of Huber Heights, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2002*

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**NOTE 9 - POSTEMPLOYMENT BENEFITS (Continued)**

The 2002 employer contribution rate was 13.55 percent of covered payroll; 5.0 percent was the portion that was used to fund health care for 2002. For 2001, the contribution rate was 13.55 percent of covered payroll; 4.30 percent was the portion that was used to fund health care.

Benefits are advance-funded using the entry age normal cost method. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2001, include a rate of return on investments of 8.00 percent, an annual increase in active employee total payroll of 4.00 percent compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between .50 percent and 6.3 percent based on additional annual pay increases. Health care premiums were assumed to increase 4.00 percent annually.

In December 2001, OPERS' Board adopted the Health Care "Choices" Plan in its continuing efforts to respond to the rise in the cost of Health Care. The Choices Plan will be offered to all persons newly hired under OPERS after January 1, 2003, with no prior service credit accumulated toward health care coverage. Choices, as the name suggests, will incorporate a cafeteria approach, offering a more broad range of health care options. The plan uses a graded scale from ten to thirty year to calculate a monthly health care benefit. This is in contrast to the ten-year "cliff" eligibility standard for the present plan. The benefit recipient will be free to select the option that best meets their needs. Recipients will fund health care costs in excess of their monthly health care benefit. The Plan will also offer a spending account feature, enabling the benefit recipient to apply toward specific medical expenses, much like a Medical Spending Account

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

The number of active contributing participants was 402,041. The City's actual contributions for 2002 which were used to fund postemployment benefits were \$156,332. The actual contribution and the actuarially required contribution amounts are the same. OPERS's net assets available for payment of benefits at December 31, 2001, (the latest information available) were \$11.6 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$16.4 billion and \$4.8 billion, respectively.

**Ohio Police and Fire Pension Fund**

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

The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12. The Ohio Revised Code provides the authority allowing the Ohio Police and Fire Pension Fund's board of trustees to provide health care coverage and states that health care costs paid from the Ohio Police and Fire Pension Fund shall be included in the employer's contribution rate. Health care funding and accounting is on a pay-as-you-go basis. The total police employer contribution is 19.5 percent of covered payroll and the total firefighter employer contribution rate is 24 percent of covered payroll, of which 7.75 percent of covered payroll was applied to the postemployment health care program during 2002. For 2001, the percent used to fund healthcare was 7.50 percent. In addition, since July 1, 1992, most retirees have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment.

**City of Huber Heights, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2002*

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NOTE 9 - POSTEMPLOYMENT BENEFITS (Continued)

The City's actual contributions for 2002 that were used to fund postemployment benefits were \$252,881 for police and \$219,541 for fire. The OP&F's total health care expenses for the year ended December 31, 2001, (the latest information available) were \$122,298,771, which was net of member contributions of \$6,874,699. The number of OP&F participants eligible to receive health care benefits as of December 31, 2001, was 13,174 for police and 10,239 for firefighters.

NOTE 10 – OTHER EMPLOYEE BENEFITS

Deferred Compensation Plans

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

Accumulated Unpaid Vacation

City employees earn vacation leave at varying rates based upon length of service and union contract, employment contract or personnel policy manual. All employees may accrue a maximum of total hours accrued in the past two calendar years, except for firefighters. For the firefighters, vacation can carry over into the next calendar year at a maximum of 264 hours based upon a 52 hour week. The City Manager is allowed to grant requests for the carry over of additional leave, but the carryover must be used within 90 days. In the event of resignation with two weeks notice, death, or retirement, employees (or their estates) are paid for unused vacation leave.

Accumulated Unpaid Personal Leave

City employees are entitled to personal leave at varying rates based upon union contract, employment contract or personnel policy manual. If the hours are not used within the calendar year, the City Manager is allowed to grant requests for the carry over of personal leave, but the carry over must be used within 90 days. In addition, the City agrees to grant eight hours personal leave at year end to any non-union employee that does not exceed eight hours of sick leave usage during the previous calendar year.

Accumulated Unpaid Sick Leave

City employees earn sick leave at the rate of 5.0 hours per eighty hours of service. There is no maximum carry over from year to year. In the case of death or retirement, employees (or the employees' estates) are paid for their accumulated leave with 480 hours being the maximum amount paid, except for firefighters. For the firefighters, accumulated leave between 1 and 500 will be paid at a 4:1 ratio, accumulated leave between 501 and 1000 will be paid at a 3:1 ratio, accumulated leave between 1001 and 1500 will be paid at a 2:1 ratio and accumulated leave in excess of 1500 will be paid at a 1:1 ratio. In addition, at the commencement of the current contract for firefighters, sick leave hours in excess of 1800 will be "banked" and will be payable to the employee when that employee retires at a 3:1 ratio.

**City of Huber Heights, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2002*

**NOTE 10 – OTHER EMPLOYEE BENEFITS**

**Accumulated Unpaid Compensatory Time**

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

**Insurance**

The City allows employees a choice between an HMO program or a PPO program, both offered through Anthem, for their healthcare benefits. In addition to healthcare, the City also offers dental and optical insurance benefits. The dental plan insurance is carried through Superior Dental Care, Inc. and the vision insurance is carried by Vision Service Plan.

**NOTE 12 - CONTRACTUAL COMMITMENTS**

As of December 31, 2002, the City had contractual purchase commitments as follows:

<u>Company</u>	<u>Project</u>	<u>Contract Amount</u>	<u>Amount Expended</u>	<u>Balance at 12/31/2002</u>
Earth Tech Operations	Water Startup	\$41,309	\$5,727	\$35,582
Bricker and Eckler, LLP	Troy V Construction Executive Boulevard	20,000	8,171	11,829
Bricker and Eckler, LLP	Construction	15,000	0	15,000
Bricker and Eckler, LLP	Troy V Construction	20,000	0	20,000
Charles F. Jergens Contractors	Executive Boulevard Construction	83,718	65,480	18,238
R.B. Jergens Contractors	Executive Boulevard Construction	158,555	138,528	20,027
Charles F. Jergens Contractors	Old Troy Pike Executive Boulevard	578,976	543,030	35,946
Bricker and Eckler, LLP	Construction	15,000	4,000	11,000
Charles F. Jergens Contractors	I-70 III	919,086	855,716	63,370
Bricker and Eckler, LLP	Troy VI	15,000	2,393	12,607
Vectren Corporation	Gas line extension for Executive Boulevard III	41,600	0	41,600
Sanderson CMI	Tax System	146,478	136,742	9,736
LJB Inc	I70/202 interchange	137,500	125,030	12,470
Butler Asphalt Co Inc	2002 street project	882,560	865,873	16,687
John R. Jurgenson Co	2002 street project	183,400	151,419	31,981
Eagle Bridge Company	Shull Road Bridges	79,532	0	79,532
Charles J. Jergens Contractors	Wildcat Road Improvements	241,048	138,153	102,895

**City of Huber Heights, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2002*

**NOTE 12 - CONTRACTUAL COMMITMENTS (Continued)**

Company	Project	Contract Amount	Amount Expended	Balance at 12/31/2002
Business Technologies Services	Phone service conversion	\$38,216	\$20,774	\$17,442
LJB Inc	I70/202 interchange	348,490	224,917	123,573
P&R Communications Service	Communications upgrade	146,219	135,819	10,400
Woolpert LLP	Design for well	29,488	14,744	14,744
P&R Communications Service	Communications upgrade	10,500	0	10,500
Real Tech	Chambersburg Road	10,200	0	10,200
Montgomery County Transportation	I70/201 Interchange	100,000	0	100,000
P&R Communications Service	Communications upgrade	121,855	0	121,855
RE Holland Excavating Inc	Troy VII widening	1,298,000	37,521	1,260,479

**NOTE 13 - RISK MANAGEMENT**

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

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

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

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

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

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

**City of Huber Heights, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2002*

**NOTE 14 - LONG-TERM OBLIGATIONS**

A schedule of changes in bonds and other long-term obligations of the governmental activities of the City during 2002 follows:

	<u>Balance at 12/31/01</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance at 12/31/02</u>	<u>Amounts Due in One Year</u>
Special Assessment Bonds with Government Commitment:					
1991 - 6.70%					
Old Troy Pike	\$305,000	\$0	\$20,000	\$285,000	\$25,000
1993 - 4.70%					
Taylorsville Road	400,000	0	50,000	350,000	50,000
1995 - 5.75%					
Brandt Pike Phase IV	1,000,000	0	45,000	955,000	50,000
1995 - 5.80%					
Shull Road East and West	805,000	0	35,000	770,000	40,000
1996 - 5.70%					
Troy III	235,658	0	8,949	226,709	11,932
1996 - 5.70%					
North West Expansion	159,342	0	6,051	153,291	8,068
1997 - 5.45%					
Brandt Pike Phase V	400,000	0	15,000	385,000	15,000
1998 - 4.88% - 4.95%					
Old Troy Pike Phase IV	605,000	0	25,000	580,000	25,000
1999 - 5.30% - 5.38%					
Old Troy Pike Phase V	279,693	0	10,359	269,334	10,359
1999 - 5.30% - 5.38%					
Executive Boulevard	395,307	0	14,641	380,666	14,641
2000 - 5.63% - 5.65%					
I-70 Business Park Phase II	730,000	0	20,000	710,000	25,000
2001 - 3.5% - 4.95%					
Huber East Water Main (Various Purpose Bonds - Series 2001A )	150,000	0	5,000	145,000	5,000
2001 - 3.5% - 4.95%					
Executive Boulevard Phase III (Various Purpose Bonds - Series 2001A)	1,085,000	0	25,000	1,060,000	40,000
2001 - 3.5% - 4.95%					
Troy VI (Various Purpose Bonds - Series 2001A)	685,000	0	15,000	670,000	25,000
2001 - 3.5% - 4.95%					
Aaron Lane (Various Purpose Bonds - Series 2001 A)	212,000	0	7,000	205,000	7,000

(Continued)

**City of Huber Heights, Ohio**  
*Notes to the Basic Financial Statements*  
For the Year Ended December 31, 2002

**NOTE 14 - LONG-TERM OBLIGATIONS (Continued)**

	Balance at 12/31/01	Increases	Decreases	Balance at 12/31/02	Amounts Due in One Year
2001 – 3.5% - 4.95% Stoney Creek (Various Purpose Bonds – Series 2001A)	\$45,000	\$0	\$1,000	\$44,000	\$1,000
2001 – 3.5% - 4.95% Lexington Place (Various Purpose Bonds – Series 2001A)	63,000	0	2,000	61,000	2,000
TOTAL – Special Assessment Bonds Payable	<u>7,555,000</u>	<u>0</u>	<u>305,000</u>	<u>7,250,000</u>	<u>355,000</u>
Voted General Obligation Bond:					
2001 – 2.90% - 4.25% Refunding Bonds, Series 2001B	<u>1,620,000</u>	<u>0</u>	<u>135,000</u>	<u>1,485,000</u>	<u>145,000</u>
Unvoted General Obligation Bonds:					
1991 – 6.63% Water Tank	365,000	0	25,000	340,000	30,000
1993 – 5.35% Fire Station Renovation	1,905,000	0	70,000	1,835,000	75,000
1993 - 5.35% Gas Tank Replacement	30,000	0	15,000	15,000	15,000
1995 - 5.80% Municipal Pool	60,000	0	15,000	45,000	15,000
1997 - 5.10% - 5.25% Street Improvement	1,710,000	0	95,000	1,615,000	100,000
1997 - 4.15% - 5.40% Court Bonds	1,485,000	0	60,000	1,425,000	60,000
2001 – 2.90% - 4.95% Various Purpose, Series 2001A	2,855,000	0	350,000	2,505,000	355,000
Amortization of Premium	18,230	0	2,259	15,971	0
Amortization of Accounting Loss	<u>(43,350)</u>	<u>4,335</u>	<u>0</u>	<u>(39,015)</u>	<u>0</u>
TOTAL - Unvoted General Obligation Bonds Payable	<u>8,384,880</u>	<u>4,335</u>	<u>632,259</u>	<u>7,756,956</u>	<u>650,000</u>
TOTAL – General Obligation Bonds Payable	<u>10,004,880</u>	<u>4,335</u>	<u>767,259</u>	<u>9,241,956</u>	<u>795,000</u>
Compensated Absences Payable	<u>949,878</u>	<u>612,196</u>	<u>433,558</u>	<u>1,128,516</u>	<u>537,265</u>

**City of Huber Heights, Ohio**  
*Notes to the Basic Financial Statements*  
For the Year Ended December 31, 2002

**NOTE 14 - LONG-TERM OBLIGATIONS (Continued)**

	Balance at 12/31/01	Increases	Decreases	Balance at 12/31/02	Amounts Due in One Year
Equipment/Vehicle Loans:					
1997 - 4.95%					
Vehicle Loan	\$290,067	\$0	\$46,398	\$243,669	\$49,009
1999 - 4.10%					
Vehicles and Equipment	58,518	0	58,518	0	0
2000 - 5.24%					
Vehicles, Equipment, and Computer Equipment	252,893	0	166,408	86,485	86,485
2001 - 4.36%					
Vehicles Loan	306,978	0	118,834	188,144	124,072
2001 - 4.60%					
Tub Grinder Loan	191,411	0	21,913	169,498	22,932
2001 - 2.99%					
Police Cruisers	159,374	0	51,556	107,818	53,109
2002 - 3.98%					
Equipment and Vehicles	0	341,364	54,688	286,676	112,000
TOTAL - Equipment/Vehicle Loans	<u>1,259,241</u>	<u>341,364</u>	<u>518,315</u>	<u>1,082,290</u>	<u>447,607</u>
TOTAL - General Long-Term Obligations	<u>\$19,768,999</u>	<u>\$957,895</u>	<u>\$2,024,132</u>	<u>\$18,702,762</u>	<u>\$2,134,872</u>



**City of Huber Heights, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2002*

**NOTE 14 - LONG-TERM OBLIGATIONS (Continued)**

The following table discloses the original issue amounts for the debt issued before 2002:

Issue	Amount
<b>Special Assessment Bonds:</b>	
1991 Old Troy Pike	\$460,000
1993 Taylorsville Road	706,400
1995 Brandt Pike Phase IV	1,222,000
1995 Shull Road East and West	982,000
1996 Troy III	281,000
1996 North West Expansion	190,000
1997 Brandt Pike Phase V	461,000
1998 Old Troy Pike Phase IV	665,000
1999 Old Troy Pike Phase V	300,411
1999 Executive Boulevard	424,589
2000 I-70 Business Park Phase II	750,000
2001 Huber East Water Main	150,000
2001 Executive Boulevard Phase III	1,085,000
2001 Troy VI	685,000
2001 Aaron Lane	212,000
2001 Stoney Creek	45,000
2001 Lexington Place	63,000
<b>Voted General Obligation Bond:</b>	
2001 Refunding Bonds, Series 2001B	1,755,000
<b>Unvoted General Obligation Bonds:</b>	
1991 Water Tank	555,000
1993 Fire Station Renovation	2,350,000
1993 Gas Tank Replacement	130,000
1995 Municipal Pool	127,000
1997 Street Improvement	2,045,000
1997 Court Bonds	1,625,000
2001 Various Purpose	2,965,000
<b>Equipment/Vehicle Loans:</b>	
1997 Vehicle Loan	461,215
1999 Vehicles and Equipment	333,500
2000 Vehicles, Equipment, and Computer Equipment	486,921
2001 Vehicles Loan	364,500
2001 Tub Grinder Loan	202,000
2001 Police Cruisers	159,374

**City of Huber Heights, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2002*

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**NOTE 14 - LONG-TERM OBLIGATIONS (Continued)**

During 2002, the City issued \$341,364, in long-term loans for the purchase of new vehicles and equipment. The loan will be paid from revenues in the General fund, Police Fund, Fire Fund, and Local Street Operating Fund. The loans will mature in 2005.

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

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

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

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

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

All voted and unvoted general obligation bond issues will be paid through the General Obligation Bond Retirement Debt Service Fund with property tax revenues and transfers from the General Fund and other governmental funds (special revenue funds - City Motor Vehicle License Permissive Tax, Local Street Improvement, Parks and Recreation, State Highway, and Street Maintenance and Repair, and Fire Capital Equipment Capital Projects Fund), and the Water Enterprise Fund.

The compensated absences payable will be paid from the General, Fire, Police, Sewer, Water, Local Street Improvement, Parks and Recreation, and Street Maintenance and Repair Funds. The equipment/vehicle loans will be paid from the General, Fire, Police, Local Street Improvement, Parks and Recreation, Street Maintenance and Repair, and Fire Capital Equipment Funds.

**City of Huber Heights, Ohio**  
*Notes to the Basic Financial Statements*  
For the Year Ended December 31, 2002

**NOTE 14 - LONG-TERM OBLIGATIONS (Continued)**

Changes in the long-term obligations reported in business-type activities of the City during 2002 were as follows:

	Balance at 12/31/01	Increases	Decreases	Balance at 12/31/02	Amounts Due in One Year
Revenue Bonds Payable:					
Various - 1995 Water Acquisition					
Serial Bonds – 3.75–5.55%	\$6,175,000	\$0	\$490,000	\$5,685,000	\$530,000
Original Issue of Capital Appreciation					
Bonds - 5.9–6.2%	4,225,517	0	0	4,225,517	0
Accretion on Capital Appreciation					
Bonds	1,932,804	406,782	0	2,339,586	0
OWDA Loan Payable:					
3.85% - 1995 Sewer OWDA Loan	5,401,479	0	297,587	5,103,892	309,154
Long-Term Loan:					
2002 – Equipment and Vehicles					
Loan 3.98%	0	127,000	12,771	114,229	26,278
Compensated Absences Payable	6,991	2,034	7,225	1,800	1,800
Total - Enterprise Funds	<u>\$17,741,791</u>	<u>\$535,816</u>	<u>\$807,583</u>	<u>\$17,470,024</u>	<u>\$867,232</u>

The Water Fund's revenue bonds are paid from operating revenues of the water enterprise operation. The original issue amount was \$12,495,517. Of the original issue amount, \$8,270,000 is serial bonds, while \$4,225,517 is capital appreciation bonds. The water revenue bonds maturing on or after December 1, 2000, are subject to optional redemption at the direction of the City, in whole or in part in integral multiples of \$5,000 on any interest payment date, on or after December 1, 2000, or before December 1, 2007, at the redemption prices (expressed as a percentage of the principal amount to be redeemed) not to be greater than 103%, plus accrued interest on the redemption date. Bonds maturing in the years 2011 through 2025 were issued as capital appreciation bonds, which mature in the principal amounts on the dates and will bear interest compounded semiannually on June 1 and December 1 of each year beginning in 1996; at the compounding rates per year. The maturity amount of the capital appreciation bonds is \$10,639,401.

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

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

During 2002, the City issued an equipment and vehicles loan in the amount \$127,000. The loan will be paid from the Storm Water Enterprise fund revenue.

As of December 31, 2002, the City's overall legal debt margin (the ability to issue additional amounts of general obligation bonded debt) was \$48,682,719 and the unvoted legal debt margin was \$21,536,905.

**City of Huber Heights, Ohio**  
*Notes to the Basic Financial Statements*  
For the Year Ended December 31, 2002

**NOTE 14 - LONG-TERM OBLIGATIONS** (Continued)

Principal and interest requirements to retire the City's long-term obligations outstanding at December 31, 2002, were as follows:

Year	Governmental Activities					
	Special Assessment Bonds		General Obligation Bonds		Equipment/Vehicle Loans	
	Principal	Interest	Principal	Interest	Principal	Interest
2003	\$355,000	\$377,981	\$795,000	\$428,899	\$447,598	\$39,354
2004	380,000	360,048	800,000	395,804	310,092	22,643
2005	380,000	340,742	840,000	362,661	138,921	12,319
2006	405,000	321,518	865,000	327,929	84,038	7,143
2007	435,000	300,787	880,000	292,003	57,589	3,232
2008-2012	2,190,000	1,162,995	3,240,000	917,895	44,052	2,023
2013-2017	2,150,000	562,324	1,550,000	290,633	0	0
2018-2022	955,000	110,671	295,000	14,093	0	0
Totals	<u>\$7,250,000</u>	<u>\$3,537,066</u>	<u>\$9,265,000</u>	<u>\$3,029,917</u>	<u>\$1,082,290</u>	<u>\$86,714</u>

Year	Business-Type Activities					
	Revenue Bonds		OWDA Loans		Equipment/Vehicle Loans	
	Principal	Interest	Principal	Interest	Principal	Interest
2003	\$530,000	\$295,303	\$309,154	\$193,553	\$26,278	\$4,180
2004	575,000	270,393	321,172	181,536	27,286	3,171
2005	625,000	242,792	333,656	169,051	25,361	2,122
2006	675,000	211,855	346,625	156,082	23,303	1,176
2007	730,000	177,430	360,098	142,609	12,001	239
2008-2012	3,298,764	286,993	2,021,653	491,881	0	0
2013-2017	1,583,478	0	1,411,534	96,587	0	0
2018-2022	1,263,828	0	0	0	0	0
2023-2025	7,043,331	0	0	0	0	0
Totals	<u>\$16,324,401</u>	<u>\$1,484,766</u>	<u>\$5,103,892</u>	<u>\$1,431,299</u>	<u>\$114,229</u>	<u>\$10,880</u>

The City issued industrial development revenue bonds during 1999 for the acquisition of land, construction of a manufacturing facility, and acquisition of capital equipment used by a private corporation. The principal amount outstanding on the bonds at December 31, 2002, was \$8,000,000. The bonds do not constitute a debt or pledge of the faith and credit of the City and will not be secured by an obligation or pledge of any moneys raised by taxation. The City is not obligated in any way to pay debt charges on the bond from any of its funds, and therefore it has been excluded entirely from the City's debt presentation. There has not been and there is not any condition of default under the bond or the related financing documents.

The City issued an industrial development revenue bond in 1994 with the principal amount of \$1,935,000 outstanding at December 31, 2002. The proceeds of the bond do not constitute a general obligation, debt or bonded indebtedness of the City. Neither is the full faith and credit or taxing power of the City pledged to make repayment.

**City of Huber Heights, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2002*

**NOTE 15 - SHORT-TERM OBLIGATIONS**

A summary of the short-term note transactions for the year ended December 31, 2002, follows:

<u>Fund Type/Fund/Issue</u>	<u>Balance at</u> <u>12/31/01</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance at</u> <u>12/31/02</u>
Notes Payable:				
Capital Projects Funds:				
Capital Improvement Fund				
1.55% - Real Estate Acquisition	\$0	\$1,820,000	\$0	\$1,820,000
Issue II Fund				
1.80% - Old Troy Pike Phase VII	0	1,670,000	0	1,670,000
Total Notes Payable	<u>\$0</u>	<u>\$3,490,000</u>	<u>\$0</u>	<u>\$3,490,000</u>

The notes are bond anticipation notes and will be paid off with long-term bonds issued during 2003.

**NOTE 16 - INTERFUND ASSETS/LIABILITIES**

The General Fund had interfund receivables at December 31, 2002, of \$3,189,312. The Capital Improvement Fund had interfund payables of \$967,375. The other governmental funds had interfund payables of \$2,221,937. The loans were made to cover capital outlay costs that will eventually be covered by reimbursable grants and to repay the Police Fund for expenditures made on behalf of the Highway Safety Fund.

		<u>Transfers From</u>					
		<u>General</u>	<u>Police</u>	<u>Capital</u> <u>Improve-</u> <u>Ment</u>	<u>Other</u> <u>Govern-</u> <u>mental</u>	<u>Water</u>	<u>Total</u>
T r a n s f e r s	General	\$0	\$0	\$116,474	\$0	\$0	\$116,474
	Fire	3,600,000	0	0	0	0	3,600,000
	Police	1,817,000	0	0	0	0	1,817,000
n o T o	General						
	Obligation						
	Bond						
	Retirement	135,000	0	0	692,840	49,200	877,040
	Special						
	Assessment						
	Bond						
	Retirement	60,000	0	113,212	359,975	0	533,187
	Capital						
	Improvement	836,517	0	0	0	0	836,517
	Other						
	Governmental	713,730	2,475	30,717	250,000	0	996,922
	Storm Water	0	0	0	390,930	0	390,930
	Total	<u>\$7,162,247</u>	<u>\$2,475</u>	<u>\$260,403</u>	<u>\$1,693,745</u>	<u>\$49,200</u>	<u>\$9,168,070</u>

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

**City of Huber Heights, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2002*

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**NOTE 17 - JOINT VENTURES**

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

Wastewater Authority is a joint venture among the cities of Huber Heights, Vandalia, and Tipp City. Wastewater Authority is governed by a management board consisting of the city managers of the three cities. The board has complete authority over all aspects of the operation. Wastewater Authority supplies all participating residents of the member cities with sewer services. Each city owns the sewage lines located in its city and bills its residents for usage. Continued existence of Wastewater Authority is dependent on the City's continued participation. The percentage of equity interest in the joint venture for each City is based on annual usage and is adjusted each year accordingly. The City's equity interest is \$11,871,160 which represents 53.92% of the total equity in Wastewater Authority. Wastewater Authority is not accumulating significant financial resources or experiencing fiscal stress which would cause additional financial benefit to or burden on the City. The City of Huber Heights was party to several transactions during 2002 involving Wastewater Authority for services provided to the City by Wastewater Authority. The amounts for services provided to the City are reflected on the City's financial statements in the amount of \$1,727,497. Complete financial statements can be obtained from the fiscal agent by writing to Tri-Cities North Regional Wastewater Authority, c/o The City of Vandalia, 333 J. E. Bohanan Drive, Vandalia, Ohio 45377.

On January 22, 2001, the City entered into a contract for the creation of a Joint Economic Development District (JEDD) with the Township of Bethel and Clark County, Ohio. The contract was entered into under the authority of Ohio Revised Code Section 715.72. The JEDD was established for the purpose of cooperative regional development and job creation, along with growth in commercial and industrial development. The JEDD will permit the three jurisdictions to share tax revenues from the development of property without the need of annexation. The City will provide fire, police, rescue, zoning and building services, and marketing for the site. Clark County will provide water and sewer services. The 41 acres located in Bethel Township, along with a contiguous 17 acre parcel located within the City along State Route 235 are available for use. Several international companies have expressed interest in the site. The JEDD results from a contractual arrangement and is governed by two or more participants as a separate and specific activity subject to joint control, in which the participants retain an ongoing financial responsibility. The City has an equity interest since the contract stipulates the City will have claim to the net resources of JEDD, as set forth in the contract. Since the JEDD had no financial activity during 2002, the City's equity interest at December 31, 2002, was \$0. Financial information can be obtained from Mary DelRaso, Planning and Development Manager, at 6131 Taylorsville Road, Huber Heights, Ohio 45424-2951.

**NOTE 18 - JOINTLY GOVERNED ORGANIZATIONS**

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

**City of Huber Heights, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2002*

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**NOTE 18 - JOINTLY GOVERNED ORGANIZATIONS (Continued)**

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

Payments to the Commission are made from the General Fund. The City contributed \$17,567 for the operation of the Commission during 2002. Financial information can be obtained from P. Michael Robinette, Executive Director, at 40 West Fourth Street, Dayton, Ohio 45402.

The Miami Valley Fire/EMS Alliance (the Alliance) is a jointly governed organization between municipal corporations and townships in Montgomery, Greene and Warren Counties. The purpose of the Alliance is to foster cooperation among the political subdivisions by promoting programs and recommending matters which will result in more efficient methods of delivering fire and emergency medical services in the region. The Board of the Alliance is made up of a representative appointed by the City of Dayton, a representative appointed by the members who are provided Fire/EMS Services by volunteers, two representatives appointed by the members who are provided Fire/EMS Services by a combination of full time employees and volunteers, and a representative appointed by the members who are provided Fire/EMS Services by full time employees. Payments to the Alliance are made from the Fire Special Revenue Fund. The City contributed \$9,162 for the operation of the Alliance during 2002. Financial information can be obtained from Mike Caudill, Director, at 444 West Third Street, Suite 13-204, Dayton, Ohio 45402.

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

The ED/GE Advisory Committee, made up of alternating member entities' representatives, decides which proposed projects will be granted each year. Sales tax revenues, set aside by Montgomery County, are used to fund the projects. Members annually contribute to or receive benefits based on an elaborate zero-based formula designed to distribute growth in contributing communities to those communities experiencing less economic growth. The City has agreed to be a member for ten years, ending December 31, 2010. Any member in default of paying its contributions will be liable for the amount of the contribution, any interest accrued, and penalties. During this time, the member will not be entitled to any allocations from ED/GE. Payments to ED/GE are made from the General Fund. The City made \$50,128 in contributions for the operation of ED/GE during 2002. Financial information can be obtained from Linda Gum, Administrative Assistant, at 451 West Third Street, Dayton, Ohio 45422.

**City of Huber Heights, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2002*

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NOTE 19 – PRIOR PERIOD ADJUSTMENT

Net assets of governmental activities were overstated in the prior year due to of an overstatement to special assessments receivable. As a result net assets decreased \$327,102, from \$104,108,135 to \$103,781,033.

NOTE 20 - CONTINGENT LIABILITIES

Litigation

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

Grants

For the period January 1, 2002, to December 31, 2002, the City received federal and state grants for specific purposes that are subject to review and audit by grantor agencies or their designee. Such audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. Based on prior experience, the City believes such disallowance, if any, would be immaterial.

NOTE 21 - SUBSEQUENT EVENTS

The City entered into a lease purchase agreement for a new phone system in the amount \$232,244. The interest rate is 3.5%. The General fund, Street Operating Fund, Police Fund, Fire Fund, Park Fund and Water Fund will be making the lease payments. Semi annual installments of \$18,828 are required through February 2010.

The City issued \$7,308,000 of Street Improvement Special Assessment Notes dated March 20, 2003, with a maturity date of March 19, 2004. The interest rate on the notes is 1.16%.

The City also issued \$1,802,000 of Utility Improvement Bond Anticipation Notes dated March 20, 2003, with a maturity of March 19, 2004. The interest rate on the notes is 1.16%



## Combining Financial Statements

Combining Statements – Nonmajor Governmental Funds

NONMAJOR SPECIAL REVENUE FUNDS

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

City Motor Vehicle License Permissive Tax

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

Community Development Block Grant

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

County Motor Vehicle Permissive Tax

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

Drug Law Enforcement

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

Edward Byrne Memorial

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

Highway Safety

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

Law Enforcement

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

Local Street Improvement

To account for miscellaneous revenue and for a portion of City income tax which, beginning in 1994, is to be used for local street repairs.

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.

Prevention, Retention and Contingency – Development Reserve

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

(Continued)

Combining Statements – Nonmajor Governmental Funds  
(Continued)

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.

Storm Water Management

To account for monies received from Montgomery County to be used to fund improvements to the City's green space and water course, thereby maintaining the City's creeks.

Street Maintenance and Repair

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

Violence Against Women Grant

To account for monies received through the Office of Criminal Justice Services to assist States and other units of local government to develop and strengthen effective law enforcement and prosecution strategies to combat violent crimes against women and to develop and strengthen victim services in cases involving violent crimes against women. Budgetary information has not been presented for this fund because the City did not anticipate any revenues or expenditures in 2002 and none occurred. The budgetary fund balance was \$159 at December 31, 2002.

NONMAJOR CAPITAL PROJECTS FUNDS

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

Capital Equipment

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

Economic Development/Government Equity Improvement

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

Federal Equity Sharing

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

Fire Capital Equipment

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

Issue II

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

(Continued)

Combining Statements – Nonmajor Governmental Funds  
(Continued)

Local Law Enforcement Block Grant

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

Local Street Capital Improvement

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

**City of Huber Heights, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Governmental Funds*  
*December 31, 2002*

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalent	\$1,960,221	\$4,306,488	\$6,266,709
Receivables:			
Property and Other Taxes	11,395	0	11,395
Municipal Income Taxes, Net	445,012	466,914	911,926
Accounts, Net	330	0	330
Accrued Interest	209	0	209
Due from Other Government:	665,133	202,893	868,026
Prepaid Items	2,305	0	2,305
Supplies Inventory	33,981	0	33,981
<i>Total Assets</i>	<u>\$3,118,586</u>	<u>\$4,976,295</u>	<u>\$8,094,881</u>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Accounts Payable	\$55,364	\$35,174	\$90,538
Contracts Payable	0	37,521	37,521
Contracts Payable Retainage	0	41,984	41,984
Accrued Salaries Payable	45,622	0	45,622
Due to Other Governments	38,481	43,256	81,737
Interfund Payable	266,937	1,955,000	2,221,937
Deferred Revenue	811,530	520,740	1,332,270
Accrued Interest Payable	0	3,294	3,294
Notes Payable	0	1,670,000	1,670,000
<i>Total Liabilities</i>	<u>1,217,934</u>	<u>4,306,969</u>	<u>5,524,903</u>
<b>Fund Balances</b>			
Reserved for Encumbrance:	193,373	1,699,497	1,892,870
Reserved for Supplies Inventory:	33,981	0	33,981
Unreserved:			
Undesignated, Reported in			
Special Revenue Fund:	1,673,298	0	1,673,298
Capital Projects Funds (Deficit)	0	(1,030,171)	(1,030,171)
<i>Total Fund Balances</i>	<u>1,900,652</u>	<u>669,326</u>	<u>2,569,978</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$3,118,586</u>	<u>\$4,976,295</u>	<u>\$8,094,881</u>

**City of Huber Heights, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Special Revenue Funds*  
*December 31, 2002*

	City Motor Vehicle License Permissive Tax	Community Development Block Grant	County Motor Vehicle Permissive Tax
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$36,873	\$153,914	\$18,589
Receivables:			
Property and Other Taxes	11,395	0	0
Municipal Income Taxes, Net	0	0	0
Accounts, Net	0	0	0
Accrued Interest	0	0	0
Due from Other Governments	0	111,435	5,814
Prepaid Items	0	0	0
Supplies Inventory	0	0	0
<i>Total Assets</i>	<u>\$48,268</u>	<u>\$265,349</u>	<u>\$24,403</u>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Accounts Payable	\$0	\$0	\$0
Accrued Salaries Payable	0	0	0
Due to Other Governments	0	0	0
Interfund Payable	0	225,223	0
Deferred Revenue	0	11,435	0
<i>Total Liabilities</i>	<u>0</u>	<u>236,658</u>	<u>0</u>
<b>Fund Balances</b>			
Reserved for Encumbrances	0	31,981	0
Reserved for Supplies Inventory	0	0	0
Unreserved (Deficit)	48,268	(3,290)	24,403
<i>Total Fund Balances (Deficit)</i>	<u>48,268</u>	<u>28,691</u>	<u>24,403</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$48,268</u>	<u>\$265,349</u>	<u>\$24,403</u>

Drug Law Enforcement	Edward Byrne Memorial	Highway Safety	Law Enforcement	Local Street Improvement	Parks and Recreation
\$24,680	\$75	\$42,050	\$1,159	\$992,771	\$162,944
0	0	0	0	0	0
0	0	0	0	445,012	0
0	0	0	0	330	0
0	0	0	0	0	0
354	0	0	0	0	5,600
0	0	0	0	916	1,389
0	0	0	0	27,226	1,157
<u>\$25,034</u>	<u>\$75</u>	<u>\$42,050</u>	<u>\$1,159</u>	<u>\$1,466,255</u>	<u>\$171,090</u>
\$0	\$0	\$0	\$0	\$20,402	\$3,128
0	0	0	0	31,814	2,490
0	0	0	0	318	6,744
0	0	41,714	0	0	0
0	0	0	0	328,924	5,600
<u>0</u>	<u>0</u>	<u>41,714</u>	<u>0</u>	<u>381,458</u>	<u>17,962</u>
330	0	0	0	7,417	34,010
0	0	0	0	27,226	1,157
24,704	75	336	1,159	1,050,154	117,961
<u>25,034</u>	<u>75</u>	<u>336</u>	<u>1,159</u>	<u>1,084,797</u>	<u>153,128</u>
<u>\$25,034</u>	<u>\$75</u>	<u>\$42,050</u>	<u>\$1,159</u>	<u>\$1,466,255</u>	<u>\$171,090</u>

(Continued)

**City of Huber Heights, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Special Revenue Funds*  
*December 31, 2002*  
(Continued)

	Prevention, Retention and Contingency- Development Reserve	State Highway	Street Maintenance and Repair
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$0	\$33,272	\$493,735
Receivables:			
Property and Other Taxes	0	0	0
Municipal Income Taxes, Net	0	0	0
Accounts, Net	0	0	0
Accrued Interest	0	0	209
Due from Other Governments	17,531	39,328	485,071
Prepaid Items	0	0	0
Supplies Inventory	0	0	5,598
<i>Total Assets</i>	<u>\$17,531</u>	<u>\$72,600</u>	<u>\$984,613</u>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Accounts Payable	\$17,531	\$1,035	\$13,268
Accrued Salaries Payable	0	0	11,318
Due to Other Governments	0	0	31,419
Interfund Payable	0	0	0
Deferred Revenue	17,531	33,601	414,439
<i>Total Liabilities</i>	<u>35,062</u>	<u>34,636</u>	<u>470,444</u>
<b>Fund Balances</b>			
Reserved for Encumbrances	0	273	119,362
Reserved for Supplies Inventory	0	0	5,598
Unreserved (Deficit)	(17,531)	37,691	389,209
<i>Total Fund Balances (Deficit)</i>	<u>(17,531)</u>	<u>37,964</u>	<u>514,169</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$17,531</u>	<u>\$72,600</u>	<u>\$984,613</u>

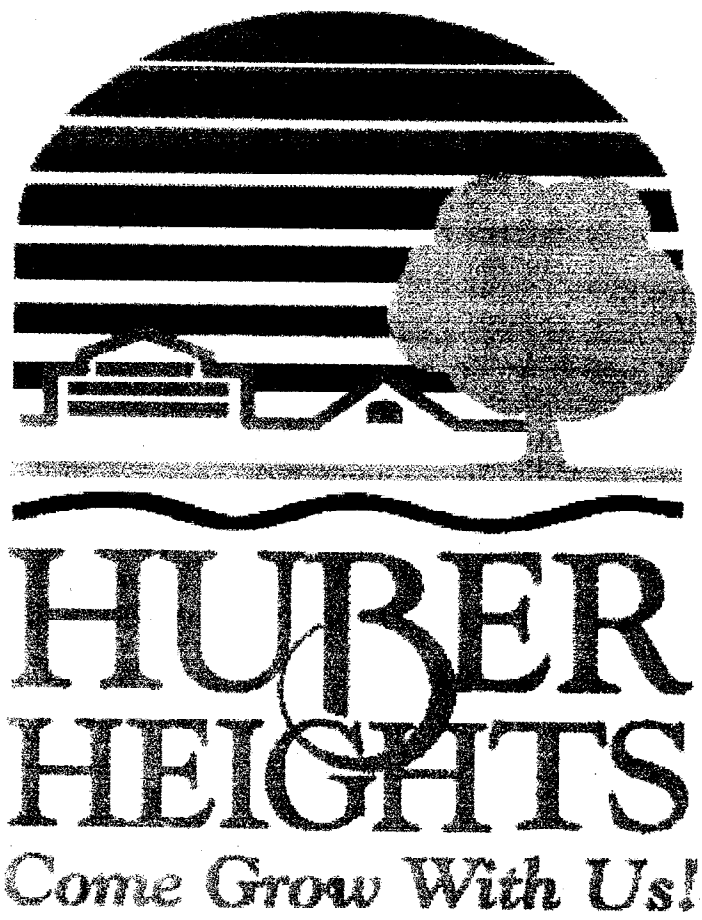


Violence Against Women Grant	Total Nonmajor Special Revenue Funds
\$159	\$1,960,221
0	11,395
0	445,012
0	330
0	209
0	665,133
0	2,305
0	33,981
<u>\$159</u>	<u>\$3,118,586</u>
\$0	\$55,364
0	45,622
0	38,481
0	266,937
0	811,530
<u>0</u>	<u>1,217,934</u>
0	193,373
0	33,981
159	1,673,298
<u>159</u>	<u>1,900,652</u>
<u>\$159</u>	<u>\$3,118,586</u>

**City of Huber Heights, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Capital Projects Funds*  
*December 31, 2002*

	Capital Equipment	Economic Development / Government Equity Improvement	Federal Equity Sharing
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$1,517	\$403,836	\$19,263
Receivables:			
Municipal Income Taxes, Net	0	0	0
Due from Other Governments:	0	55,003	0
<i>Total Assets</i>	<u>\$1,517</u>	<u>\$458,839</u>	<u>\$19,263</u>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Accounts Payable	\$0	\$0	\$0
Contracts Payable	0	0	0
Contracts Payable Retainage	0	0	0
Due to Other Governments:	0	43,256	0
Interfund Payable	0	290,000	0
Deferred Revenue	0	27,738	0
Accrued Interest Payable	0	0	0
Notes Payable	0	0	0
<i>Total Liabilities</i>	<u>0</u>	<u>360,994</u>	<u>0</u>
<b>Fund Balances</b>			
Reserved for Encumbrances	1,017	277,426	0
Unreserved (Deficit)	500	(179,581)	19,263
<i>Total Fund Balances</i>	<u>1,517</u>	<u>97,845</u>	<u>19,263</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$1,517</u>	<u>\$458,839</u>	<u>\$19,263</u>

Fire Capital Equipment	Issue II	Local Law Enforcement Block Grant	Local Street Capital Improvement	Total Nonmajor Capital Projects Funds
\$115,024	\$2,071,160	\$19,302	\$1,676,386	\$4,306,488
108,819	0	0	358,095	466,914
0	147,890	0	0	202,893
<u>\$223,843</u>	<u>\$2,219,050</u>	<u>\$19,302</u>	<u>\$2,034,481</u>	<u>\$4,976,295</u>
\$5,452	\$17,610	\$0	\$12,112	\$35,174
0	37,521	0	0	37,521
0	0	0	41,984	41,984
0	0	0	0	43,256
0	317,000	0	1,348,000	1,955,000
80,432	147,890	0	264,680	520,740
0	3,294	0	0	3,294
0	1,670,000	0	0	1,670,000
<u>85,884</u>	<u>2,193,315</u>	<u>0</u>	<u>1,666,776</u>	<u>4,306,969</u>
46	1,356,496	1,013	63,499	1,699,497
137,913	(1,330,761)	18,289	304,206	(1,030,171)
<u>137,959</u>	<u>25,735</u>	<u>19,302</u>	<u>367,705</u>	<u>669,326</u>
<u>\$223,843</u>	<u>\$2,219,050</u>	<u>\$19,302</u>	<u>\$2,034,481</u>	<u>\$4,976,295</u>



**City of Huber Heights, Ohio**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Governmental Funds*  
*For the Year Ended December 31, 2002*

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Revenues</b>			
Municipal Income Taxes	\$1,423,106	\$1,525,966	\$2,949,072
Property and Other Taxes	167,458	0	167,458
Intergovernmental	1,366,509	260,763	1,627,272
Charges for Services	54,288	0	54,288
Fines, Licenses and Permits	4,338	2,314	6,652
Interest	10,779	3,414	14,193
Rent	860	0	860
Other	29,556	0	29,556
<i>Total Revenues</i>	<u>3,056,894</u>	<u>1,792,457</u>	<u>4,849,351</u>
<b>Expenditures</b>			
Current:			
Security of Persons and Property:			
Other	49,615	95,179	144,794
Public Health	27,142	0	27,142
Leisure Time Activities	270,095	0	270,095
Community Environment	13,275	0	13,275
Transportation	1,466,131	0	1,466,131
Capital Outlay	188,013	1,751,966	1,939,979
Debt Service:			
Principal Retirement	134,904	77,533	212,437
Interest and Fiscal Charges	16,461	21,842	38,303
<i>Total Expenditures</i>	<u>2,165,636</u>	<u>1,946,520</u>	<u>4,112,156</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>891,258</u>	<u>(154,063)</u>	<u>737,195</u>
<b>Other Financing Sources (Uses)</b>			
Long-Term Loans Issued	62,824	0	62,824
Proceeds from Sale of Fixed Assets	7,651	0	7,651
Transfers - In	609,730	387,192	996,922
Transfers - Out	(1,399,770)	(293,975)	(1,693,745)
<i>Total Other Financing Sources (Uses)</i>	<u>(719,565)</u>	<u>93,217</u>	<u>(626,348)</u>
<i>Net Change in Fund Balances</i>	171,693	(60,846)	110,847
<i>Fund Balances Beginning of Year</i>	1,772,594	730,172	2,502,766
Decrease in Reserve for Inventory	(43,635)	0	(43,635)
<i>Fund Balances End of Year</i>	<u>\$1,900,652</u>	<u>\$669,326</u>	<u>\$2,569,978</u>

**City of Huber Heights, Ohio**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Special Revenue Funds*  
*For the Year Ended December 31, 2002*

	City Motor Vehicle License Permissive Tax	Community Development Block Grant	County Motor Vehicle Permissive Tax
<b>Revenues</b>			
Municipal Income Taxes	\$0	\$0	\$0
Property and Other Taxes	167,458	0	0
Intergovernmental	0	175,332	88,200
Charges for Services	0	0	0
Fines, Licenses and Permits	0	0	0
Interest	0	0	0
Rent	0	0	0
Other	0	0	0
<i>Total Revenues</i>	<u>167,458</u>	<u>175,332</u>	<u>88,200</u>
<b>Expenditures</b>			
Current:			
Security of Persons and Property:			
Other	0	0	0
Public Health	0	0	0
Leisure Time Activities	0	0	0
Community Environment	0	0	0
Transportation	0	0	0
Capital Outlay	0	173,013	0
Debt Service:			
Principal Retirement	0	0	0
Interest and Fiscal Charges	0	0	0
<i>Total Expenditures</i>	<u>0</u>	<u>173,013</u>	<u>0</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>167,458</u>	<u>2,319</u>	<u>88,200</u>
<b>Other Financing Sources (Uses)</b>			
Long-Term Loans Issued	0	0	0
Proceeds from Sale of Fixed Assets	0	0	0
Transfers - In	0	36,036	0
Transfers - Out	(170,000)	0	(90,000)
<i>Total Other Financing Sources (Uses)</i>	<u>(170,000)</u>	<u>36,036</u>	<u>(90,000)</u>
<i>Net Change in Fund Balances</i>	(2,542)	38,355	(1,800)
<i>Fund Balances (Deficit) Beginning of Year</i>	50,810	(9,664)	26,203
Increase (Decrease) in Reserve for Inventory	0	0	0
<i>Fund Balances (Deficit) End of Year</i>	<u>\$48,268</u>	<u>\$28,691</u>	<u>\$24,403</u>

Drug Law Enforcement	Edward Byrne Memorial	Highway Safety	Law Enforcement	Local Street Improvement	Parks and Recreation
\$0	\$0	\$0	\$0	\$1,423,106	\$0
0	0	0	0	0	0
0	0	45,857	0	10,260	0
0	0	0	0	0	54,288
4,338	0	0	0	0	0
0	0	0	0	745	0
0	0	0	0	0	860
0	0	0	0	11,731	4,698
4,338	0	45,857	0	1,445,842	59,846
8,259	0	41,356	0	0	0
0	0	0	0	0	0
0	0	0	0	0	270,095
0	0	0	0	0	0
0	0	0	0	681,207	0
0	0	0	0	0	0
0	0	0	0	98,210	4,827
0	0	0	0	14,015	321
8,259	0	41,356	0	793,432	275,243
(3,921)	0	4,501	0	652,410	(215,397)
0	0	0	0	62,824	0
0	0	0	0	7,651	0
0	0	0	0	0	150,000
0	0	0	0	(450,000)	(18,840)
0	0	0	0	(379,525)	131,160
(3,921)	0	4,501	0	272,885	(84,237)
28,955	75	(4,165)	1,159	821,302	236,801
0	0	0	0	(9,390)	564
\$25,034	\$75	\$336	\$1,159	\$1,084,797	\$153,128

(Continued)

**City of Huber Heights, Ohio**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Special Revenue Funds*  
*For the Year Ended December 31, 2002*  
(Continued)

	Prevention, Retention and Contingency- Development Reserve	State Highway	Storm Water Management	Street Maintenance and Repair
<b>Revenues</b>				
Municipal Income Taxes	\$0	\$0	\$0	\$0
Property and Other Taxes	0	0	0	0
Intergovernmental	18,976	77,092	0	950,792
Charges for Services	0	0	0	0
Fines, Licenses and Permits	0	0	0	0
Interest	0	543	0	9,491
Rent	0	0	0	0
Other	0	0	0	13,127
<i>Total Revenues</i>	<u>18,976</u>	<u>77,635</u>	<u>0</u>	<u>973,410</u>
<b>Expenditures</b>				
Current:				
Security of Persons and Property:				
Other	0	0	0	0
Public Health	27,142	0	0	0
Leisure Time Activities	0	0	0	0
Community Environment	0	0	13,275	0
Transportation	0	46,224	0	738,700
Capital Outlay	0	0	15,000	0
Debt Service:				
Principal Retirement	0	0	0	31,867
Interest and Fiscal Charges	0	0	0	2,125
<i>Total Expenditures</i>	<u>27,142</u>	<u>46,224</u>	<u>28,275</u>	<u>772,692</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(8,166)</u>	<u>31,411</u>	<u>(28,275)</u>	<u>200,718</u>
<b>Other Financing Sources (Uses)</b>				
Long-Term Loans Issued	0	0	0	0
Proceeds from Sale of Fixed Assets	0	0	0	0
Transfers - In	0	0	423,694	0
Transfers - Out	0	(30,000)	(390,930)	(250,000)
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>(30,000)</u>	<u>32,764</u>	<u>(250,000)</u>
<i>Net Change in Fund Balances</i>	(8,166)	1,411	4,489	(49,282)
<i>Fund Balances (Deficit) Beginning of Year</i>	(9,365)	52,603	(4,489)	582,210
Increase (Decrease) in Reserve for Inventory	0	(16,050)	0	(18,759)
<i>Fund Balances (Deficit) End of Year</i>	<u>(\$17,531)</u>	<u>\$37,964</u>	<u>\$0</u>	<u>\$514,169</u>



Violence Against Women Grant	Total Nonmajor Special Revenue Funds
\$0	\$1,423,106
0	167,458
0	1,366,509
0	54,288
0	4,338
0	10,779
0	860
0	29,556
0	3,056,894
0	49,615
0	27,142
0	270,095
0	13,275
0	1,466,131
0	188,013
0	134,904
0	16,461
0	2,165,636
0	891,258
0	62,824
0	7,651
0	609,730
0	(1,399,770)
0	(719,565)
0	171,693
159	1,772,594
0	(43,635)
<u>\$159</u>	<u>\$1,900,652</u>

**City of Huber Heights, Ohio**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Capital Projects Funds*  
*For the Year Ended December 31, 2002*

	Capital Equipment	Economic Development / Government Equity Improvement	Federal Equity Sharing
<b>Revenues</b>			
Municipal Income Taxes	\$0	\$0	\$0
Intergovernmental	0	242,727	0
Fines, Licenses and Permits	0	0	2,314
Interest	0	0	336
<i>Total Revenues</i>	<u>0</u>	<u>242,727</u>	<u>2,650</u>
<b>Expenditures</b>			
Current:			
Security of Persons and Property			
Other	0	0	5,525
Capital Outlay	0	275,165	0
Debt Service:			
Principal Retirement	0	0	0
Interest and Fiscal Charges	0	0	0
<i>Total Expenditures</i>	<u>0</u>	<u>275,165</u>	<u>5,525</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>0</u>	<u>(32,438)</u>	<u>(2,875)</u>
<b>Other Financing Sources (Uses)</b>			
Transfers - In	0	0	0
Transfers - Out	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	0	(32,438)	(2,875)
<i>Fund Balances Beginning of Year</i>	<u>1,517</u>	<u>130,283</u>	<u>22,138</u>
<i>Fund Balances End of Year</i>	<u><u>\$1,517</u></u>	<u><u>\$97,845</u></u>	<u><u>\$19,263</u></u>

Fire Capital Equipment	Issue II	Local Law Enforcement Block Grant	Local Street Capital Improvement	Total Nonmajor Capital Projects Funds
\$349,681	\$0	\$0	\$1,176,285	\$1,525,966
0	0	18,036	0	260,763
0	0	0	0	2,314
0	2,740	338	0	3,414
<u>349,681</u>	<u>2,740</u>	<u>18,374</u>	<u>1,176,285</u>	<u>1,792,457</u>
65,384	0	24,270	0	95,179
0	207,239	0	1,269,562	1,751,966
77,533	0	0	0	77,533
18,548	3,294	0	0	21,842
<u>161,465</u>	<u>210,533</u>	<u>24,270</u>	<u>1,269,562</u>	<u>1,946,520</u>
<u>188,216</u>	<u>(207,793)</u>	<u>(5,896)</u>	<u>(93,277)</u>	<u>(154,063)</u>
0	104,000	2,475	280,717	387,192
(174,000)	(119,975)	0	0	(293,975)
<u>(174,000)</u>	<u>(15,975)</u>	<u>2,475</u>	<u>280,717</u>	<u>93,217</u>
14,216	(223,768)	(3,421)	187,440	(60,846)
<u>123,743</u>	<u>249,503</u>	<u>22,723</u>	<u>180,265</u>	<u>730,172</u>
<u>\$137,959</u>	<u>\$25,735</u>	<u>\$19,302</u>	<u>\$367,705</u>	<u>\$669,326</u>

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

**City of Huber Heights, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Fund*  
*For the Year Ended December 31, 2002*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Municipal Income Taxes:	\$6,357,453	\$5,599,091	\$5,599,091	\$0
Property and Other Taxes	1,002,630	1,060,899	1,060,899	0
Intergovernmental	1,318,942	1,395,593	1,395,593	0
Charges for Services:	983,170	1,040,198	1,040,198	0
Fines, Licenses and Permits:	160,482	169,808	169,808	0
Interest	326,214	345,172	345,172	0
Rent	73,753	78,039	78,039	0
Other	67,409	71,437	71,437	0
<i>Total Revenues</i>	<u>10,290,053</u>	<u>9,760,237</u>	<u>9,760,237</u>	<u>0</u>
<b>Expenditures</b>				
Current:				
Security of Persons and Property				
Dispatch	712,897	707,651	656,632	51,019
General Lighting	101,696	101,696	101,696	0
Community Environment				
Engineering, Zoning and Planning	1,039,761	1,083,379	996,557	86,822
General Government				
Central Services:	683,631	855,833	811,286	44,547
Mayor	23,415	25,921	21,232	4,689
Council	173,212	196,923	165,133	31,790
Management Office	612,505	603,144	578,219	24,925
Finance / Accounting	527,940	517,060	450,394	66,666
Finance / Taxation	731,165	806,168	755,705	50,463
Legal	317,683	317,683	317,683	0
Buildings and Grounds:	120,267	120,268	116,098	4,170
Court Facility	83,922	83,920	73,488	10,432
Debt Service:				
Principal Retirement	77,286	77,286	68,103	9,183
Interest and Fiscal Charge:	5,067	5,067	4,549	518
<i>Total Expenditures</i>	<u>5,210,447</u>	<u>5,501,999</u>	<u>5,116,775</u>	<u>385,224</u>
<i>Excess of Revenues Over Expenditures</i>	<u>5,079,606</u>	<u>4,258,238</u>	<u>4,643,462</u>	<u>385,224</u>
<b>Other Financing Sources (Uses)</b>				
Long-Term Loans Issued	50,373	53,300	53,300	0
Proceeds from Sale of Fixed Asset	148,794	157,441	157,441	0
Advances In	375,681	1,547,220	1,547,220	0
Advances Out	(76,000)	(1,352,000)	(1,352,000)	0
Transfers In	116,474	116,474	116,474	0
Transfers Out	(7,007,604)	(7,162,247)	(7,162,247)	0
<i>Total Other Financing Sources (Uses)</i>	<u>(6,392,282)</u>	<u>(6,639,812)</u>	<u>(6,639,812)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	<u>(1,312,676)</u>	<u>(2,381,574)</u>	<u>(1,996,350)</u>	<u>385,224</u>
<i>Fund Balance Beginning of Year</i>	5,069,125	5,069,125	5,069,125	0
Prior Year Encumbrances Appropriated	617,327	617,327	617,327	0
<i>Fund Balance End of Year</i>	<u>\$4,373,776</u>	<u>\$3,304,878</u>	<u>\$3,690,102</u>	<u>\$385,224</u>

**City of Huber Heights, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Obligation Bond Retirement Fund*  
*For the Year Ended December 31, 2002*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Property and Other Taxes	\$211,688	\$177,609	\$177,609	\$0
Intergovernmental	21,774	21,093	21,093	0
Special Assessments	20,067	19,439	19,439	0
Rent	140,329	135,936	135,936	0
Other	1,016	984	984	0
<i>Total Revenues</i>	<u>394,874</u>	<u>355,061</u>	<u>355,061</u>	<u>0</u>
<b>Expenditures</b>				
Current:				
General Government	10,000	10,000	3,443	6,557
Debt Service:				
Principal Retirement	765,000	765,000	765,000	0
Interest and Fiscal Charges	461,803	461,803	461,803	0
<i>Total Expenditures</i>	<u>1,236,803</u>	<u>1,236,803</u>	<u>1,230,246</u>	<u>6,557</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(841,929)</u>	<u>(881,742)</u>	<u>(875,185)</u>	<u>6,557</u>
<b>Other Financing Sources</b>				
Transfers In	877,040	877,040	877,040	0
<i>Total Other Financing Sources</i>	<u>877,040</u>	<u>877,040</u>	<u>877,040</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	35,111	(4,702)	1,855	6,557
<i>Fund Balance at Beginning of Year</i>	639,372	639,372	639,372	0
Prior Year Encumbrances Appropriated	1,356	1,356	1,356	0
<i>Fund Balance at End of Year</i>	<u><u>\$675,839</u></u>	<u><u>\$636,026</u></u>	<u><u>\$642,583</u></u>	<u><u>\$6,557</u></u>

**City of Huber Heights, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Special Assessment Bond Retirement Fund*  
*For the Year Ended December 31, 2002*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Special Assessments	\$199,968	\$184,310	\$184,310	\$0
Other	4,148	4,059	4,059	0
<i>Total Revenues</i>	<u>204,116</u>	<u>188,369</u>	<u>188,369</u>	<u>0</u>
<b>Expenditures</b>				
Current:				
General Government	15,000	15,000	8,693	6,307
Debt Service:				
Principal Retirement	305,000	305,000	305,000	0
Interest and Fiscal Charges	424,672	424,672	400,005	24,667
<i>Total Expenditures</i>	<u>744,672</u>	<u>744,672</u>	<u>713,698</u>	<u>30,974</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(540,556)</u>	<u>(556,303)</u>	<u>(525,329)</u>	<u>30,974</u>
<b>Other Financing Sources</b>				
Transfers In	533,187	533,187	533,187	0
<i>Total Other Financing Sources</i>	<u>533,187</u>	<u>533,187</u>	<u>533,187</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(7,369)	(23,116)	7,858	30,974
<i>Fund Balance at Beginning of Year</i>	708,176	708,176	708,176	0
Prior Year Encumbrances Appropriated	6,450	6,450	6,450	0
<i>Fund Balance at End of Year</i>	<u><u>\$707,257</u></u>	<u><u>\$691,510</u></u>	<u><u>\$722,484</u></u>	<u><u>\$30,974</u></u>

**City of Huber Heights, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Capital Improvement Fund*  
*For the Year Ended December 31, 2002*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$194,184	\$242,732	\$242,732	\$0
Special Assessments	184,545	230,683	230,683	0
Other	900	1,125	1,125	0
<i>Total Revenues</i>	379,629	474,540	474,540	0
<b>Expenditures</b>				
Current:				
General Government	13,982	13,982	13,971	11
Capital Outlay	2,407,463	4,514,167	3,908,434	605,733
<i>Total Expenditures</i>	2,421,445	4,528,149	3,922,405	605,744
<i>Excess of Revenues Under Expenditures</i>	(2,041,816)	(4,053,609)	(3,447,865)	605,744
<b>Other Financing Sources (Uses)</b>				
General Obligation Notes Issued	1,131,670	1,820,000	1,820,000	0
Proceeds from Sale of Fixed Assets	82,512	103,141	103,141	0
Advances In	785,000	785,000	785,000	0
Advances Out	(1,238,300)	(1,238,300)	(1,238,300)	0
Transfers In	836,517	836,517	836,517	0
Transfers Out	(260,403)	(260,403)	(260,403)	0
<i>Total Other Financing Sources (Uses)</i>	1,336,996	2,045,955	2,045,955	0
<i>Net Change in Fund Balance</i>	(704,820)	(2,007,654)	(1,401,910)	605,744
<i>Fund Balance at Beginning of Year</i>	1,495,271	1,495,271	1,495,271	0
Prior Year Encumbrances Appropriated	637,176	637,176	637,176	0
<i>Fund Balance at End of Year</i>	\$1,427,627	\$124,793	\$730,537	\$605,744



**City of Huber Heights, Ohio**  
*Schedule of Revenues, Expenses and Changes*  
*In Fund Equity - Budget (Non-GAAP Basis) and Actual*  
*Sewer Fund*  
*For the Year Ended December 31, 2002*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Charges for Services	\$2,735,687	\$2,679,198	\$2,679,198	\$0
Tap In Fees	41,558	40,700	40,700	0
Special Assessments	5,342	5,232	5,232	0
Interest	9,944	9,739	9,739	0
<i>Total Revenues</i>	<u>2,792,531</u>	<u>2,734,869</u>	<u>2,734,869</u>	<u>0</u>
<b>Expenses</b>				
Personal Services	58,127	58,127	54,002	4,125
Operations and Maintenance	2,450,250	2,459,538	2,455,820	3,718
Capital Outlay	27,530	27,530	7,570	19,960
Debt Service:				
Principal Retirement	297,587	297,587	297,587	0
Interest and Fiscal Charges	205,120	205,120	205,120	0
<i>Total Expenses</i>	<u>3,038,614</u>	<u>3,047,902</u>	<u>3,020,099</u>	<u>27,803</u>
<i>Net Change in Fund Equity</i>	(246,083)	(313,033)	(285,230)	27,803
<i>Fund Equity at Beginning of Year</i>	676,127	676,127	676,127	0
Prior Year Encumbrances Appropriated	<u>218,302</u>	<u>218,302</u>	<u>218,302</u>	<u>0</u>
<i>Fund Equity at End of Year</i>	<u>\$648,346</u>	<u>\$581,396</u>	<u>\$609,199</u>	<u>\$27,803</u>

**City of Huber Heights, Ohio**  
*Schedule of Revenues, Expenses and Changes*  
*In Fund Equity - Budget (Non-GAAP Basis) and Actual*  
*Water Fund*  
*For the Year Ended December 31, 2002*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Charges for Services	\$2,549,580	\$2,496,892	\$2,496,892	\$0
Tap In Fees	70,758	68,650	68,650	0
Interest	88,108	85,483	85,483	0
Rent	14,842	14,400	14,400	0
Other	4,064	3,943	3,943	0
<i>Total Revenues</i>	<u>2,727,352</u>	<u>2,669,368</u>	<u>2,669,368</u>	<u>0</u>
<b>Expenses</b>				
Personal Services	121,857	121,857	113,536	8,321
Operations and Maintenance	1,481,811	1,778,956	1,652,548	126,408
Capital Outlay	336,132	336,132	75,553	260,579
Debt Service:				
Principal Retirement	490,000	490,000	490,000	0
Interest and Fiscal Charges	317,843	317,843	317,843	0
<i>Total Expenses</i>	<u>2,747,643</u>	<u>3,044,788</u>	<u>2,649,480</u>	<u>395,308</u>
<i>Excess of Revenues Over (Under) Expenses</i>	(20,291)	(375,420)	19,888	395,308
Transfers Out	<u>(49,200)</u>	<u>(49,200)</u>	<u>(49,200)</u>	<u>0</u>
<i>Net Change in Fund Equity</i>	(69,491)	(424,620)	(29,312)	395,308
<i>Fund Equity at Beginning of Year</i>	3,887,609	3,887,609	3,887,609	0
Prior Year Encumbrances Appropriated	<u>197,602</u>	<u>197,602</u>	<u>197,602</u>	<u>0</u>
<i>Fund Equity at End of Year</i>	<u>\$4,015,720</u>	<u>\$3,660,591</u>	<u>\$4,055,899</u>	<u>\$395,308</u>

**City of Huber Heights, Ohio**  
*Schedule of Revenues, Expenses and Changes*  
*In Fund Equity - Budget (Non-GAAP Basis) and Actual*  
*Storm Water Fund*  
*For the Year Ended December 31, 2002*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Charges for Services	\$159,154	\$176,394	\$176,394	\$0
Special Assessments	0	0	0	0
Interest	1,363	1,511	1,511	0
Long-Term Loans Issued	114,587	127,000	127,000	0
<i>Total Revenues</i>	<u>275,104</u>	<u>304,905</u>	<u>304,905</u>	<u>0</u>
<b>Expenses</b>				
Operations and Maintenance	70,825	70,825	70,741	84
Capital Outlay	182,920	350,520	286,678	63,842
Debt Service:				
Principal Retirement	34,216	27,216	12,771	14,445
Interest and Fiscal Charges	2,458	2,458	2,458	0
<i>Total Expenses</i>	<u>290,419</u>	<u>451,019</u>	<u>372,648</u>	<u>78,371</u>
<i>Excess of Revenues Under Expenses</i>	(15,315)	(146,114)	(67,743)	78,371
Advances Out	(32,000)	(32,000)	(32,000)	0
Transfers In	422,930	422,930	422,930	0
<i>Net Change in Fund Equity</i>	375,615	244,816	323,187	78,371
<i>Fund Equity at Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Equity at End of Year</i>	<u>\$375,615</u>	<u>\$244,816</u>	<u>\$323,187</u>	<u>\$78,371</u>

**City of Huber Heights, Ohio**  
*Schedule of Revenues, Expenditures and Changes  
 In Fund Balance - Budget (Non-GAAP Basis) and Actual  
 City Motor Vehicle License Permissive Tax Fund  
 For the Year Ended December 31, 2002*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Property and Other Taxes	\$160,800	\$166,818	\$166,818	\$0
<i>Total Revenues</i>	<u>160,800</u>	<u>166,818</u>	<u>166,818</u>	<u>0</u>
<b>Other Financing Uses</b>				
Transfers Out	(197,100)	(170,000)	(170,000)	0
<i>Total Other Financing Uses</i>	<u>(197,100)</u>	<u>(170,000)</u>	<u>(170,000)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(36,300)	(3,182)	(3,182)	0
<i>Fund Balance at Beginning of Year</i>	<u>40,055</u>	<u>40,055</u>	<u>40,055</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$3,755</u></u>	<u><u>\$36,873</u></u>	<u><u>\$36,873</u></u>	<u><u>\$0</u></u>

**City of Huber Heights, Ohio**  
*Schedule of Revenues, Expenditures and Changes  
 In Fund Balance - Budget (Non-GAAP Basis) and Actual  
 Community Development Block Grant Fund  
 For the Year Ended December 31, 2002*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	\$33,750	\$75,332	\$75,332	\$0
<i>Total Revenues</i>	<u>33,750</u>	<u>75,332</u>	<u>75,332</u>	<u>0</u>
<b>Expenditures</b>				
Capital Outlay	9,511	224,767	220,166	4,601
<i>Total Expenditures</i>	<u>9,511</u>	<u>224,767</u>	<u>220,166</u>	<u>4,601</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>24,239</u>	<u>(149,435)</u>	<u>(144,834)</u>	<u>4,601</u>
<b>Other Financing Sources (Uses)</b>				
Advances In	150,000	150,000	150,000	0
Advances Out	(212,000)	(212,000)	(212,000)	0
Transfers In	36,036	36,036	36,036	0
<i>Total Other Financing Sources (Uses)</i>	<u>(25,964)</u>	<u>(25,964)</u>	<u>(25,964)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	<u>(1,725)</u>	<u>(175,399)</u>	<u>(170,798)</u>	<u>4,601</u>
<i>Fund Balance at Beginning of Year</i>	259,220	259,220	259,220	0
Prior Year Encumbrances Appropriated	<u>33,511</u>	<u>33,511</u>	<u>33,511</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>\$291,006</u>	<u>\$117,332</u>	<u>\$121,933</u>	<u>\$4,601</u>

**City of Huber Heights, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*County Motor Vehicle Permissive Tax Fund*  
*For the Year Ended December 31, 2002*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	\$80,000	\$88,454	\$88,454	\$0
<i>Total Revenues</i>	<u>80,000</u>	<u>88,454</u>	<u>88,454</u>	<u>0</u>
<b>Other Financing Uses</b>				
Transfers Out	(90,000)	(90,000)	(90,000)	0
<i>Total Other Financing Uses</i>	<u>(90,000)</u>	<u>(90,000)</u>	<u>(90,000)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(10,000)	(1,546)	(1,546)	0
<i>Fund Balance at Beginning of Year</i>	<u>20,135</u>	<u>20,135</u>	<u>20,135</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$10,135</u></u>	<u><u>\$18,589</u></u>	<u><u>\$18,589</u></u>	<u><u>\$0</u></u>

**City of Huber Heights, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Drug Law Enforcement Fund*  
*For the Year Ended December 31, 2002*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Fines, Licenses and Permits	\$0	\$4,562	\$4,562	\$0
<i>Total Revenues</i>	<u>0</u>	<u>4,562</u>	<u>4,562</u>	<u>0</u>
<b>Expenditures</b>				
Current:				
Security of Persons and Property	15,570	15,570	8,839	6,731
<i>Total Expenditures</i>	<u>15,570</u>	<u>15,570</u>	<u>8,839</u>	<u>6,731</u>
<i>Net Change in Fund Balance</i>	(15,570)	(11,008)	(4,277)	6,731
<i>Fund Balance at Beginning of Year</i>	28,058	28,058	28,058	0
Prior Year Encumbrances Appropriated	<u>570</u>	<u>570</u>	<u>570</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>\$13,058</u>	<u>\$17,620</u>	<u>\$24,351</u>	<u>\$6,731</u>

**City of Huber Heights, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Edward Bryne Memorial Fund*  
*For the Year Ended December 31, 2002*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$0	\$0	\$0	\$0
<i>Total Revenues</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Other Financing Uses</b>				
Advances Out	(12,375)	(12,375)	(12,375)	0
<i>Total Other Financing Uses</i>	<u>(12,375)</u>	<u>(12,375)</u>	<u>(12,375)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(12,375)	(12,375)	(12,375)	0
<i>Fund Balance at Beginning of Year</i>	<u>12,450</u>	<u>12,450</u>	<u>12,450</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$75</u></u>	<u><u>\$75</u></u>	<u><u>\$75</u></u>	<u><u>\$0</u></u>



**City of Huber Heights, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Highway Safety Fund*  
*For the Year Ended December 31, 2002*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	\$0	\$41,692	\$41,692	\$0
<i>Total Revenues</i>	<u>0</u>	<u>41,692</u>	<u>41,692</u>	<u>0</u>
<b>Expenditures</b>				
Current:				
Security of Persons and Property	35,785	41,714	41,356	358
<i>Total Expenditures</i>	<u>35,785</u>	<u>41,714</u>	<u>41,356</u>	<u>358</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(35,785)</u>	<u>(22)</u>	<u>336</u>	<u>358</u>
<b>Other Financing Uses</b>				
Advances Out	0	(52,545)	(52,545)	0
<i>Total Other Financing Uses</i>	<u>0</u>	<u>(52,545)</u>	<u>(52,545)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	<u>(35,785)</u>	<u>(52,567)</u>	<u>(52,209)</u>	<u>358</u>
<i>Fund Balance at Beginning of Year</i>	<u>94,259</u>	<u>94,259</u>	<u>94,259</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$58,474</u></u>	<u><u>\$41,692</u></u>	<u><u>\$42,050</u></u>	<u><u>\$358</u></u>

**City of Huber Heights, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Law Enforcement Fund*  
*For the Year Ended December 31, 2002*

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

**City of Huber Heights, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Local Street Improvement Fund*  
*For the Year Ended December 31, 2002*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Municipal Income Taxes	\$1,357,098	\$1,405,301	\$1,405,301	\$0
Intergovernmental	9,923	10,260	10,260	0
Interest	816	844	844	0
Other	11,201	11,582	11,582	0
<i>Total Revenues</i>	1,379,038	1,427,987	1,427,987	0
<b>Expenditures</b>				
Current:				
Transportation	682,114	721,436	678,939	42,497
Debt Service:				
Principal Retirement	102,802	98,210	98,210	0
Interest and Fiscal Charges	16,414	14,015	14,015	0
<i>Total Expenditures</i>	801,330	833,661	791,164	42,497
<i>Excess of Revenues Over Expenditures</i>	577,708	594,326	636,823	42,497
<b>Other Financing Sources (Uses)</b>				
Long-Term Loans Issued	60,758	62,824	62,824	0
Proceeds from Sale of Fixed Assets	7,399	7,651	7,651	0
Transfers Out	(450,000)	(450,000)	(450,000)	0
<i>Total Other Financing Sources (Uses)</i>	(381,843)	(379,525)	(379,525)	0
<i>Net Change in Fund Balance</i>	195,865	214,801	257,298	42,497
<i>Fund Balance at Beginning of Year</i>	707,697	707,697	707,697	0
Prior Year Encumbrances Appropriated	9,853	9,853	9,853	0
<i>Fund Balance at End of Year</i>	\$913,415	\$932,351	\$974,848	\$42,497

**City of Huber Heights, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Parks and Recreation Fund*  
*For the Year Ended December 31, 2002*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Charges for Services	\$66,120	\$54,288	\$54,288	\$0
Rent	910	860	860	0
Other	4,970	4,698	4,698	0
<i>Total Revenues</i>	<u>72,000</u>	<u>59,846</u>	<u>59,846</u>	<u>0</u>
<b>Expenditures</b>				
Current:				
Leisure Time Activities	336,570	341,746	307,318	34,428
Debt Service:				
Principal Retirement	4,827	4,827	4,827	0
Interest and Fiscal Charges	321	321	321	0
<i>Total Expenditures</i>	<u>341,718</u>	<u>346,894</u>	<u>312,466</u>	<u>34,428</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(269,718)</u>	<u>(287,048)</u>	<u>(252,620)</u>	<u>34,428</u>
<b>Other Financing Sources (Uses)</b>				
Transfers In	150,000	150,000	150,000	0
Transfers Out	(18,840)	(18,840)	(18,840)	0
<i>Total Other Financing Sources(Uses)</i>	<u>131,160</u>	<u>131,160</u>	<u>131,160</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	<u>(138,558)</u>	<u>(155,888)</u>	<u>(121,460)</u>	<u>34,428</u>
<i>Fund Balance at Beginning of Year</i>	223,485	223,485	223,485	0
Prior Year Encumbrances Appropriated	22,548	22,548	22,548	0
<i>Fund Balance at End of Year</i>	<u>\$107,475</u>	<u>\$90,145</u>	<u>\$124,573</u>	<u>\$34,428</u>

**City of Huber Heights, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Prevention, Retention and Contingency - Development Reserve Fund*  
*For the Year Ended December 31, 2002*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	\$52,399	\$18,976	\$18,976	\$0
<i>Total Revenues</i>	<u>52,399</u>	<u>18,976</u>	<u>18,976</u>	<u>0</u>
<b>Expenditures</b>				
Current:				
Public Health	52,399	18,976	18,976	0
<i>Total Expenditures</i>	<u>52,399</u>	<u>18,976</u>	<u>18,976</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance at Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

**City of Huber Heights, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*State Highway Fund*  
*For the Year Ended December 31, 2002*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$96,283	\$77,036	\$77,036	\$0
Interest	717	574	574	0
<i>Total Revenues</i>	97,000	77,610	77,610	0
<b>Expenditures</b>				
Current:				
Transportation	46,496	46,497	46,497	0
<i>Total Expenditures</i>	46,496	46,497	46,497	0
<i>Excess of Revenues Over Expenditures</i>	50,504	31,113	31,113	0
<b>Other Financing Uses</b>				
Transfers Out	(30,000)	(30,000)	(30,000)	0
<i>Total Other Financing Uses</i>	(30,000)	(30,000)	(30,000)	0
<i>Net Change in Fund Balance</i>	20,504	1,113	1,113	0
<i>Fund Balance at Beginning of Year</i>	30,826	30,826	30,826	0
Prior Year Encumbrances Appropriated	0	0	0	0
<i>Fund Balance at End of Year</i>	\$51,330	\$31,939	\$31,939	\$0

**City of Huber Heights, Ohio**  
*Schedule of Revenues, Expenditures and Changes  
 In Fund Balance - Budget (Non-GAAP Basis) and Actual  
 Storm Water Management Fund  
 For the Year Ended December 31, 2002*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>	\$0	\$0	\$0	\$0
<b>Expenditures</b>				
Current:				
Community Environment	13,275	13,275	13,275	0
Capital Outlay	15,000	15,000	15,000	0
<i>Total Expenditures</i>	<u>28,275</u>	<u>28,275</u>	<u>28,275</u>	<u>0</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(28,275)</u>	<u>(28,275)</u>	<u>(28,275)</u>	<u>0</u>
<b>Other Financing Sources (Uses)</b>				
Transfers In	382,283	423,694	423,694	0
Transfers Out	0	(422,930)	(422,930)	0
<i>Total Other Financing Sources (Uses)</i>	<u>382,283</u>	<u>764</u>	<u>764</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	354,008	(27,511)	(27,511)	0
<i>Fund Balance at Beginning of Year</i>	5,511	5,511	5,511	0
Prior Year Encumbrances Appropriated	<u>22,000</u>	<u>22,000</u>	<u>22,000</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$381,519</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

**City of Huber Heights, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Street Maintenance and Repair Fund*  
*For the Year Ended December 31, 2002*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	\$950,014	\$950,098	\$950,098	\$0
Interest	10,320	10,321	10,321	0
Other	13,126	13,127	13,127	0
<i>Total Revenues</i>	<u>973,460</u>	<u>973,546</u>	<u>973,546</u>	<u>0</u>
<b>Expenditures</b>				
Current:				
Transportation	857,541	857,540	854,228	3,312
Debt Service:				
Principal Retirement	31,867	31,867	31,867	0
Interest and Fiscal Charge:	2,125	2,125	2,125	0
<i>Total Expenditures</i>	<u>891,533</u>	<u>891,532</u>	<u>888,220</u>	<u>3,312</u>
<i>Excess of Revenues Over Expenditures</i>	<u>81,927</u>	<u>82,014</u>	<u>85,326</u>	<u>3,312</u>
<b>Other Financing Uses</b>				
Transfers Out	(250,000)	(250,000)	(250,000)	0
<i>Total Other Financing Uses</i>	<u>(250,000)</u>	<u>(250,000)</u>	<u>(250,000)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(168,073)	(167,986)	(164,674)	3,312
<i>Fund Balance Beginning of Year</i>	402,998	402,998	402,998	0
Prior Year Encumbrances Appropriated	122,383	122,383	122,383	0
<i>Fund Balance End of Year</i>	<u>\$357,308</u>	<u>\$357,395</u>	<u>\$360,707</u>	<u>\$3,312</u>



**City of Huber Heights, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Capital Equipment Fund*  
*For the Year Ended December 31, 2002*

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

**City of Huber Heights, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Economic Development / Government Equity Improvement Fund*  
*For the Year Ended December 31, 2002*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$0	\$215,462	\$215,462	\$0
<i>Total Revenues</i>	<u>0</u>	<u>215,462</u>	<u>215,462</u>	<u>0</u>
<b>Expenditures</b>				
Capital Outlay	325,460	514,516	514,516	0
<i>Total Expenditures</i>	<u>325,460</u>	<u>514,516</u>	<u>514,516</u>	<u>0</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(325,460)</u>	<u>(299,054)</u>	<u>(299,054)</u>	<u>0</u>
<b>Other Financing Sources</b>				
Advances In	100,000	100,000	100,000	0
<i>Total Other Financing Sources</i>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	<u>(225,460)</u>	<u>(199,054)</u>	<u>(199,054)</u>	<u>0</u>
<i>Fund Balance at Beginning of Year</i>	216,572	216,572	216,572	0
Prior Year Encumbrances Appropriated	<u>108,891</u>	<u>108,891</u>	<u>108,891</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$100,003</u></u>	<u><u>\$126,409</u></u>	<u><u>\$126,409</u></u>	<u><u>\$0</u></u>

**City of Huber Heights, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Federal Equity Sharing Fund*  
*For the Year Ended December 31, 2002*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Fines, Licenses and Permits	\$0	\$7,754	\$7,754	\$0
Interest	0	351	351	0
<i>Total Revenues</i>	0	8,105	8,105	0
<b>Expenditures</b>				
Current:				
Security of Persons and Property	15,300	15,300	5,525	9,775
<i>Total Expenditures</i>	15,300	15,300	5,525	9,775
<i>Net Change in Fund Balance</i>	(15,300)	(7,195)	2,580	9,775
<i>Fund Balance at Beginning of Year</i>	16,368	16,368	16,368	0
Prior Year Encumbrances Appropriated	300	300	300	0
<i>Fund Balance at End of Year</i>	\$1,368	\$9,473	\$19,248	\$9,775

**City of Huber Heights, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Fire Capital Equipment Fund*  
*For the Year Ended December 31, 2002*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Municipal Income Taxes	\$344,873	\$345,253	\$345,253	\$0
<i>Total Revenues</i>	<u>344,873</u>	<u>345,253</u>	<u>345,253</u>	<u>0</u>
<b>Expenditures</b>				
Current:				
Security of Persons and Property	66,726	66,725	65,668	1,057
Debt Retirement:				
Principal Retirement	85,400	85,400	77,533	7,867
Interest and Fiscal Charges	24,973	24,973	18,548	6,425
<i>Total Expenditures</i>	<u>177,099</u>	<u>177,098</u>	<u>161,749</u>	<u>15,349</u>
<i>Excess of Revenues Over Expenditures</i>	<u>167,774</u>	<u>168,155</u>	<u>183,504</u>	<u>15,349</u>
<b>Other Financing Uses</b>				
Transfers Out	(174,000)	(174,000)	(174,000)	0
<i>Total Other Financing Uses</i>	<u>(174,000)</u>	<u>(174,000)</u>	<u>(174,000)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(6,226)	(5,845)	9,504	15,349
<i>Fund Balance at Beginning of Year</i>	97,877	97,877	97,877	0
Prior Year Encumbrances Appropriated	<u>5,826</u>	<u>5,826</u>	<u>5,826</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>\$97,477</u>	<u>\$97,858</u>	<u>\$113,207</u>	<u>\$15,349</u>

**City of Huber Heights, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Issue II Fund*  
*For the Year Ended December 31, 2002*

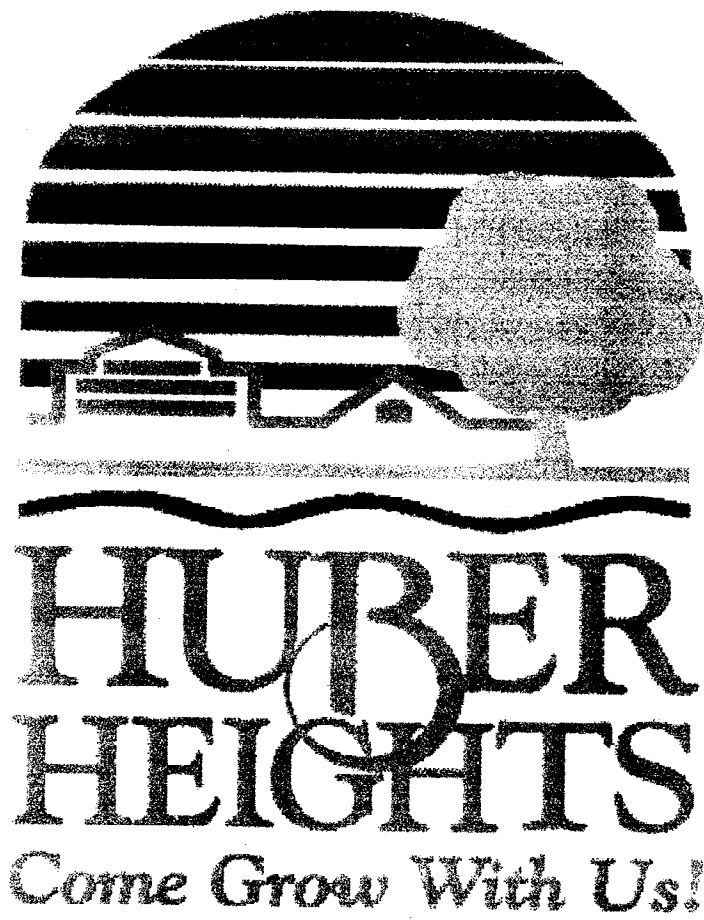
	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	\$42,574	\$0	\$0	\$0
Interest	788	695	695	0
Other	13,967	0	0	0
<i>Total Revenues</i>	<u>57,329</u>	<u>695</u>	<u>695</u>	<u>0</u>
<b>Expenditures</b>				
Capital Outlay	1,680,461	2,023,892	1,563,735	460,157
<i>Total Expenditures</i>	<u>1,680,461</u>	<u>2,023,892</u>	<u>1,563,735</u>	<u>460,157</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(1,623,132)</u>	<u>(2,023,197)</u>	<u>(1,563,040)</u>	<u>460,157</u>
<b>Other Financing Sources (Uses)</b>				
Special Assessment Notes Issued	1,894,285	1,670,000	1,670,000	0
Advances In	317,000	317,000	317,000	0
Transfers In	104,000	104,000	104,000	0
Transfers Out	(119,975)	(119,975)	(119,975)	0
<i>Total Other Financing Sources (Uses)</i>	<u>2,195,310</u>	<u>1,971,025</u>	<u>1,971,025</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	572,178	(52,172)	407,985	460,157
<i>Fund Balance at Beginning of Year</i>	193,682	193,682	193,682	0
Prior Year Encumbrances Appropriated	55,821	55,821	55,821	0
<i>Fund Balance at End of Year</i>	<u>\$821,681</u>	<u>\$197,331</u>	<u>\$657,488</u>	<u>\$460,157</u>

**City of Huber Heights, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Local Law Enforcement Block Grant Fund*  
*For the Year Ended December 31, 2002*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$17,027	\$18,036	\$18,036	\$0
Interest	345	363	363	0
<i>Total Revenues</i>	<u>17,372</u>	<u>18,399</u>	<u>18,399</u>	<u>0</u>
<b>Expenditures</b>				
Current:				
Security of Persons and Property	20,043	25,430	25,283	147
<i>Total Expenditures</i>	<u>20,043</u>	<u>25,430</u>	<u>25,283</u>	<u>147</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(2,671)</u>	<u>(7,031)</u>	<u>(6,884)</u>	<u>147</u>
<b>Other Financing Sources</b>				
Transfers In	2,475	2,475	2,475	0
<i>Total Other Financing Sources</i>	<u>2,475</u>	<u>2,475</u>	<u>2,475</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(196)	(4,556)	(4,409)	147
<i>Fund Balance at Beginning of Year</i>	22,488	22,488	22,488	0
Prior Year Encumbrances Appropriated	195	195	195	0
<i>Fund Balance at End of Year</i>	<u>\$22,487</u>	<u>\$18,127</u>	<u>\$18,274</u>	<u>\$147</u>

**City of Huber Heights, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Local Street Capital Improvement Fund*  
*For the Year Ended December 31, 2002*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Municipal Income Taxes	\$1,023,780	\$1,161,906	\$1,161,906	\$0
<i>Total Revenues</i>	<u>1,023,780</u>	<u>1,161,906</u>	<u>1,161,906</u>	<u>0</u>
<b>Expenditures</b>				
Capital Outlay	1,230,367	1,308,987	1,307,936	1,051
<i>Total Expenditures</i>	<u>1,230,367</u>	<u>1,308,987</u>	<u>1,307,936</u>	<u>1,051</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(206,587)</u>	<u>(147,081)</u>	<u>(146,030)</u>	<u>1,051</u>
<b>Other Financing Sources</b>				
Transfers In	280,717	280,717	280,717	0
<i>Total Other Financing Sources</i>	<u>280,717</u>	<u>280,717</u>	<u>280,717</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	74,130	133,636	134,687	1,051
<i>Fund Balance at Beginning of Year</i>	1,443,747	1,443,747	1,443,747	0
Prior Year Encumbrances Appropriated	<u>30,367</u>	<u>30,367</u>	<u>30,367</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$1,548,244</u></u>	<u><u>\$1,607,750</u></u>	<u><u>\$1,608,801</u></u>	<u><u>\$1,051</u></u>





STATISTICAL SECTION

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

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

Year	Security of Persons and Property	Public Health	Leisure Time Activities	Community Environment	Transportation	General Government	Interest and Fiscal Charges	Total
2002	\$12,468,716	\$27,142	\$310,037	\$915,387	\$5,070,886	\$2,822,899	\$931,452	\$22,546,519
2001	10,898,790	40,954	231,707	755,132	4,406,004	2,491,396	1,141,978	19,965,961

Source: Finance Department, City of Huber Heights

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

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

Year	Program Revenues			General Revenues						Total
	Charges for Services	Operating Grants, Contributions and Interest	Capital Grants, Contributions and Interest	Property and Other Taxes	Municipal Income Tax	Entitlements not Restricted to Specific Programs	Unrestricted Investment Earnings	Change in Fair Value of Investments	Other	
2002	\$2,279,934	\$1,663,098	\$509,504	\$3,618,766	\$11,344,954	\$1,360,770	\$319,967	\$7,158	\$76,571	\$21,180,722
2001	2,016,357	4,013,074	2,417,015	3,559,033	11,136,101	1,406,293	725,525	6,970	318,329	25,598,697

Source: Finance Department, City of Huber Heights

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

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

<u>Year</u>	<u>Security of Persons and Property</u>	<u>Community Environment</u>	<u>General Government</u>	<u>Capital Outlay</u>	<u>Debt Service</u>	<u>Total</u>
2002	\$659,494	\$888,614	\$2,658,245	\$0	\$72,652	\$4,279,005
2001	567,956	665,905	2,475,884	0	68,992	3,778,737
2000	556,929	763,555	1,886,630	1,980	40,228	3,249,322
1999	528,953	785,725	1,619,416	0	5,732	2,939,826
1998	662,453	689,672	1,807,028	0	0	3,159,153
1997	569,493	570,328	1,536,869	0	0	2,676,690
1996	537,764	531,017	1,827,426	0	19,797	2,916,004
1995	549,248	522,813	1,242,241	0	19,797	2,334,099
1994	500,892	553,973	1,301,740	0	19,797	2,376,402
1993	634,765	305,980	1,493,142	0	0	2,433,887

Source: Finance Department, City of Huber Heights

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

Year	Municipal Income Taxes	Property and Other Taxes	Inter- governmental	Charges for Services	Fines, Licenses and Permits	Interest	(1) Rent	Increase in Fair Value of Investments	Other	Total
2002	\$5,670,447	\$1,061,654	\$1,396,684	\$1,026,182	\$161,989	\$319,967	\$77,914	\$7,158	\$69,445	\$9,791,440
2001	5,366,293	1,041,788	1,386,289	555,809	201,220	725,525	55,779	6,970	129,676	9,469,349
2000	5,194,247	864,331	1,496,003	55,718	273,752	945,660	70,536	0	24,956	8,925,203
1999	4,904,359	774,811	1,374,714	27,296	425,525	680,478	70,122	0	42,903	8,300,208
1998	4,653,183	733,319	1,420,754	5,644	290,120	678,245	16,990	0	135,417	7,933,672
1997	4,434,218	708,586	1,317,627	96,183	264,200	624,217	0	0	53,643	7,498,674
1996	4,465,498	704,002	1,417,374	147,285	271,653	572,298	0	0	42,419	7,620,529
1995	4,517,167	771,114	947,905	90,529	301,052	564,625	0	0	18,375	7,210,767
1994	3,789,437	738,508	833,993	105,776	293,717	364,634	0	0	42,143	6,168,208
1993	3,726,866	754,644	893,880	78,850	262,589	285,263	0	0	16,057	6,018,149

Source: Finance Department, City of Huber Heights

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

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

Collection Year	Total Tax Levy	Current Tax Collections	Delinquent Tax Collections	Total Tax Collections (1)	Percent of Total Tax Collections To Tax Levy	Accumulated Outstanding Delinquent Taxes	Percentage of Accumulated Delinquent Taxes To Total Tax Levy
2002	\$3,525,977	\$3,416,463	\$111,497	\$3,527,960	100.06%	\$221,850	6.29%
2001	3,439,141	3,434,497	107,210	3,541,707	102.98	269,885	7.85
2000	3,447,031	3,273,829	111,825	3,385,654	98.22	149,151	4.33
1999	3,300,077	3,229,470	135,134	3,364,604	101.96	165,157	5.00
1998	3,266,958	3,170,974	139,807	3,310,781	101.34	198,358	6.07
1997	3,208,232	3,137,752	96,593	3,234,345	100.81	190,762	5.95
1996	3,182,737	3,146,459	100,525	3,246,984	102.02	147,385	4.63
1995	3,103,941	3,079,947	1,307	3,081,254	99.27	157,744	5.08
1994	3,161,816	3,142,234	83,084	3,225,318	102.01	104,557	3.31
1993	3,506,953	3,512,024	72,210	3,584,234	102.20	162,105	4.62

Source: County Auditor; Montgomery County, Ohio

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

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

Collection Year	Real	Public Utility Personal	Tangible Personal	Total Assessed Value	(1) Estimated Value	Percentage of Assessed Value To Estimated True Value
2002	\$510,407,970	\$14,879,460	\$47,328,856	\$572,616,286	\$1,685,837,069	33.97%
2001	504,948,830	18,746,860	43,899,872	567,595,562	1,627,902,406	34.87
2000	504,857,330	19,509,310	32,534,265	556,900,905	1,594,756,244	34.92
1999	440,720,660	20,955,570	31,010,458	492,686,688	1,416,728,815	34.78
1998	436,632,340	20,254,610	30,201,492	487,088,442	1,397,378,344	34.86
1997	434,689,200	20,358,530	28,270,336	483,318,066	1,375,973,056	35.13
1996	396,259,300	25,425,970	25,469,633	447,154,903	1,272,341,639	35.14
1995	389,096,460	25,893,970	22,752,617	437,743,047	1,232,139,605	35.53
1994	385,786,340	25,030,590	24,169,564	434,986,494	1,227,368,793	35.44
1993	354,439,920	24,974,990	20,165,161	399,580,071	1,118,321,120	35.73

Source: County Auditor; Montgomery County, Ohio

(1) This is calculated by dividing the assessed value by the assessment percentage. The percentages for 2002 were 35 percent for real property, public utility real and 88 percent public utility tangible personal, 25 percent for tangible personal capital assets, and 24 percent for tangible personal inventory.

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

Collection Year	City of Huber Heights					Total	Huber Heights School District	Montgomery County	Miami Valley Career Technology Center	Montgomery County Public Library
	General Fund	Fire Fund	Police Fund	Street Fund	G.O. Bond Fund					
2002	\$1.50	\$4.29	\$5.50	\$0.00	\$0.35	\$11.64	\$54.09	\$17.24	\$2.58	\$0.26
2001	1.50	4.29	5.50	0.00	0.39	11.68	54.10	17.24	2.58	0.26
2000	1.50	4.29	5.50	0.00	0.40	11.69	54.11	16.64	2.58	0.26
1999	1.50	4.29	5.50	0.00	0.45	11.74	47.71	16.64	2.58	0.26
1998	1.50	4.29	5.50	0.00	0.47	11.76	47.92	16.64	2.58	0.26
1997	1.50	4.29	5.50	0.00	0.47	11.76	47.98	16.64	2.58	0.72
1996	1.50	4.29	5.50	0.00	0.50	11.79	48.37	16.64	2.58	0.72
1995	1.50	4.29	5.50	0.00	0.50	11.79	48.47	16.64	2.58	0.72
1994	1.50	4.29	5.50	0.00	0.67	11.96	48.68	16.14	2.58	0.00
1993	1.50	4.29	5.50	2.38	0.67	14.34	48.68	13.64	2.58	0.00

Source: County Auditor; Montgomery County, Ohio



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

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<u>Collection Year</u>	<u>Billed</u>	<u>Amount Collected (1)</u>	<u>Percent Collected</u>
2002	\$719,785	\$688,373	95.64%
2001	627,194	675,401	107.69
2000	683,347	647,440	94.75
1999	639,199	672,486	105.21
1998	666,172	641,300	96.27
1997	648,614	586,871	90.48
1996	623,553	615,156	98.65
1995	603,835	602,998	99.86
1994	665,449	655,977	98.58
1993	763,670	649,705	85.08

Source: County Auditor; Montgomery County, Ohio

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

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

Collection Year	Population (1)	Assessed Value	Gross Bonded Debt (2)	Debt Service Monies Available (3)	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Valuation	Net Bonded Debt Per Capita
2002	38,686	\$572,616,286	\$9,265,000	\$725,299	\$8,539,701	1.49%	\$220.74
2001	38,686	567,595,562	10,030,000	722,183	9,307,817	1.64	240.60
2000	38,686	556,900,905	10,516,673	609,472	9,907,201	1.78	256.09
1999	38,212	492,686,688	11,107,605	575,678	10,531,927	2.14	275.62
1998	38,939	487,088,442	11,873,537	466,383	11,407,154	2.34	292.95
1997	38,939	483,318,066	12,573,728	320,150	12,253,578	2.54	314.69
1996	38,939	447,154,903	9,493,919	287,372	9,206,547	2.06	236.44
1995	40,663	437,743,047	10,040,368	255,822	9,784,546	2.24	240.63
1994	40,045	434,986,494	10,427,817	1,309,865	9,117,952	2.10	227.69
1993	40,045	399,580,071	9,672,266	191,262	9,481,004	2.37	236.76

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

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

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

**City of Huber Heights, Ohio**  
*Computation of Overall Legal Debt Margin*  
*December 31, 2002*

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Assessed Value		<u><u>\$572,616,286</u></u>
Overall Debt Limitation		
10 1/2 Percent of Assessed Valuation		\$60,124,710
Total Voted and Unvoted Debt Outstanding at December 31, 2002	36,215,928	
Less: Exempt Debt		
Unvoted General Obligation Bonds Issued in Anticipation of the Collection of Special Assessments	(7,250,000)	
Unvoted General Obligation Bonds to be Paid from Enterprise Fund Revenue	(9,910,517)	
Bond Anticipation Note Payable from Special Assessments	(1,670,000)	
Long-Term Loans to be Paid from Enterprise Fund Revenue	(114,229)	
Unvoted OWDA Loans to be Paid from Enterprise Fund Revenue	<u>(5,103,892)</u>	
Debt Within 10 1/2 Percent Limitation	12,167,290	
Less: Bond Retirement Fund Balance	<u>(725,299)</u>	
Net Debt Subject to 10 1/2 Percent Limitation		<u>11,441,991</u>
Legal Debt Margin Within 10 1/2 Percent Limitation		<u><u>\$48,682,719</u></u>

**City of Huber Heights, Ohio**  
*Computation of Unvoted Legal Debt Margin*  
*December 31, 2002*

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Assessed Value		<u>\$572,616,286</u>
Unvoted Debt Limitation		
5 1/2 Percent of Assessed Valuation		\$31,493,896
Total Unvoted Debt Outstanding at December 31, 2002	34,730,928	
Less: Exempt Debt		
Unvoted General Obligation Bonds Issued in Anticipation of the Collection of Special Assessments	(7,250,000)	
Unvoted General Obligation Bonds to be Paid from Enterprise Fund Revenue	(9,910,517)	
Bond Anticipation Note Payable from Special Assessments	(1,670,000)	
Long-Term Loans to be Paid from Enterprise Fund Revenue	(114,229)	
Unvoted OWDA Loans to be Paid from Enterprise Fund Revenue	<u>(5,103,892)</u>	
Debt Within 5 1/2 Percent Limitations	10,682,290	
Less: Bond Retirement Fund Balance	<u>(725,299)</u>	
Net Debt Within 5 1/2 Percent Limitation		<u>9,956,991</u>
Legal Debt Margin Within 5 1/2 Percent Limitation		<u><u>\$21,536,905</u></u>

**City of Huber Heights, Ohio**  
*Computation of Direct and Overlapping General Obligation Bonded Debt*  
*December 31, 2002*

Jurisdiction	Net Debt Outstanding	Percentage Applicable To City of Huber Heights	Amount Applicable To City of Huber Heights
City of Huber Heights (1)	\$8,539,701	100.00%	\$8,539,701
Montgomery County (2)	38,917,639	6.40	2,490,729
			<u>\$11,030,430</u>

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

(2) County Auditor; Montgomery County, Ohio

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

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

Year	Debt Principal and Interest (1)	General Fund Expenditures	Ratio
2002	\$1,225,447	\$4,279,005	28.64%
2001	5,868,536	3,778,737	155.30
2000	1,247,630	3,249,322	38.40
1999	1,474,386	2,939,826	50.15
1998	1,451,531	3,159,153	45.95
1997	1,266,119	2,676,690	47.30
1996	1,176,210	2,916,004	40.34
1995	1,172,709	2,334,099	50.24
1994	930,132	2,904,223	32.03
1993	724,802	2,433,887	29.78

Source: Finance Department, City of Huber Heights

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

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

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

Source: Finance Department, City of Huber Heights

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

(2) - Total operating expenses exclusive of depreciation.

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

(4) - The City's bond covenant states that coverage must be at least 1.15 of the aggregate amount of principal and interest requirements on the bonds.

**City of Huber Heights, Ohio**  
*Demographic Statistics*  
*Last Ten Years*

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<u>Year</u>	<u>Population (1)</u>	<u>School Enrollment (2)</u>	<u>Unemployment Rate Montgomery County (3)</u>
2002	38,686	6,888	5.60%
2001	38,686	7,045	4.30
2000	38,686	7,228	3.80
1999	38,212	7,288	3.80
1998	38,939	7,410	4.10
1997	38,939	7,373	4.00
1996	38,939	7,471	4.40
1995	40,663	7,602	4.00
1994	40,045	7,692	4.90
1993	40,045	7,695	6.40

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

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

Source: (3) Ohio Bureau of Employment Services



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

Year	Property Values (1)	Residential Construction		Commercial Construction		County Bank Deposits (3)
		Number of Permits (4)	Value (2)	Number of Permits (4)	Value (2)	
2002	\$1,458,308,486	118	\$17,884,051	40	\$4,055,575	\$241,447,000
2001	1,442,710,943	105	14,828,136	11	4,531,034	224,099,000
2000	1,442,449,514	77	25,533,338	3	1,857,949	191,473,000
1999	1,259,201,886	46	7,236,860	4	6,394,747	2,994,378,000
1998	1,247,520,971	47	6,915,432	4	12,101,329	3,264,705,000
1997	1,241,969,143	35	4,526,863	4	5,018,225	3,530,314,000
1996	1,132,169,429	38	5,328,346	5	2,947,093	3,899,145,000
1995	1,111,704,171	34	5,287,979	9	3,375,725	3,995,114,000
1994	1,102,246,685	18	2,306,403	21	20,816,760	4,034,766,000
1993	1,012,685,486	22	3,438,417	7	5,090,006	3,834,335,000

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

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

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

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

(4) Industrial permits are not included.

**City of Huber Heights, Ohio**

*Principal Taxpayers*

*December 31, 2002*

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Taxpayer	2001 Real Property Assessed Valuation (Tax Duplicate) For Collection in 2002	Percentage of Total Assessed Valuation
1. Kir Huber Heights L P	\$8,788,660	1.54%
2. Dayton Power and Light Company	8,302,180	1.45
3. Ohio Bell Telephone	4,149,100	0.73
4. Lowe's Home Center Incorporated	3,108,170	0.54
5. National Amusement Incorporated	2,883,660	0.50
6. Target Corporation	2,296,550	0.40
7. C. H. Huber Enterprise Incorporated	2,065,460	0.36
8. Wal-Mart Stores Incorporated	1,970,630	0.34
9. Trimble Navigation Limit	1,585,050	0.28
10. Developers Diversified	1,377,620	0.24
Total	<u>\$36,527,080</u>	<u>6.38%</u>

Source: County Auditor; Montgomery County, Ohio

**City of Huber Heights, Ohio**

*Miscellaneous Statistics*

*December 31, 2002*

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Year of Incorporation	1981
Form of Government	Council/Manager
Number of Employees (excluding police and fire)	
Full-Time	64
Part-Time	14
Seasonal	24
Area	22.0 Square Miles
Miles of Streets	172.3 Miles
Number of Street Lights	2,308
Recreation and Culture:	
Number of Parks	13
Libraries	1
Fire Protection:	
Number of Stations	2
Number of Fire Personnel and Officers	52
Number of Volunteers	1
Number of Fire Calls	998
Number of EMS Calls	3,868
Police Protection:	
Number of Stations	1
Number of Policemen and Officers	53
Number of Dispatchers	11
Number of Calls	51,155
Sewer and Water:	
Miles of Sanitary Sewers	137.56
Miles of Storm Sewers	130.45
Miles of Water Lines	144.96
Education (K-12) (Public Only):	
Attendance Centers	10
Number of Classrooms	366
Number of Teachers	450
Number of Support Staff	245
Number of Students	6,888

**City of Huber Heights, Ohio**  
*Labor Force and Unemployment Rates*  
*Last 26 Years*

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

- NOTES:
- (1) Labor force in thousands.
  - (2) From 1976 through 1982, the Dayton metropolitan statistical area included Greene, Montgomery, Miami and Preble Counties. From 1983 through the present, the Dayton M.S.A. included Clark, Greene, Montgomery and Miami Counties.
  - (3) Ohio estimates are based upon county of residence.
  - (4) National data are seasonally adjusted.
  - (5) The unemployment rate is equal to the estimate of unemployed persons divided by the estimated civilian work force which includes workers on strike.

Source: Ohio Bureau of Employment Services, Division of Research and Statistics

**City of Huber Heights, Ohio**  
*Principal Employers*  
*Dayton-Springfield Metropolitan Statistical Area*  
*December 31, 2002*

Employer	Nature of Activity or Business	Approximate Number of Employees
Wright-Patterson Air Force Base	Military base	22,000
Delphi Automotive Systems	Manufacturing	10,000
Premier Health Partners	Health Care	8,849
Meijer, Inc.	Grocery and Retail Merchandise	8,800
Kettering Medical Network	Hospital	8,308
GM Truck Group Moraine Assembly	Manufacturing	4,376
AK Steel	Manufacturing	4,200
Dayton Public Schools	Education	3,600
NCR Corporation	Manufacturing	3,000
LEXIS-NEXIS	Electronic Information Services	3,000
City of Dayton	Government	2,897
International Truck and Engine Corp.	Manufacturing	2,600
University of Dayton	Education	2,600
Elder-Beerman Stores Corp.	Retail Merchandise	2,300
Reynolds & Reynolds Co.	Business Information Services	2,300
Behr Dayton Thermal Products	Manufacturing	2,000
Emery Forwarding	Air Freight	2,000
Copeland Corporation	Manufacturing	2,000
Wright State University	Education	2,000
Sinclair Community College	Education	1,821
National City Mortgage	Real Estate Financing	1,800
Upper Valley Medical Center	Hospital	1,800
Cox-Ohio Publishing	Newspaper Publishing	1,700
Veterans Affairs Medical Center	Hospital	1,568
Childrens Medical Center	Hospital	1,300

Source: Miami Valley Regional Planning Commission, Dayton Business Journal

**City of Huber Heights, Ohio**

*Principal Employers*

*City of Huber Heights*

*December 31, 2002*

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

Source: City of Huber Heights, Division of Taxation, 2002

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

	<u>Year</u>	<u>Amount</u>	<u>Percent Change</u>	
	2002	\$11,304,985	3.47 %	
(5)	2001	10,925,453	10.19	
	2000	9,914,963	13.96	
(4)	1999	8,700,598	6.26	
	1998	8,187,825	6.01	
	1997	7,723,542	3.69	
	1996	7,448,517	0.27	(5.78% Adj) (3)
(2)	1995	7,428,282	37.85	
(1)	1994	5,388,861	45.83	
	1993	3,695,223	6.14	
	1992	3,481,346	11.64	
	1991	3,118,452	3.65	
	1990	3,008,772	5.10	
	1989	2,862,659	6.99	
	1988	2,675,636	15.08	
	1987	2,324,970	7.04	
	1986	2,172,095	25.45	
	1985	1,731,416	30.18	
	1984	1,330,065	91.90	
	1983	693,121		

(1) City taxes increased from 1% to 1.75% effective 1994

(2) In 1995 the "due date" for payment of withholding taxes was accelerated by approximately 20 days. Therefore in 1995 a portion of revenues, which previously had been due and received in January of the next year, were actually received in December 1995. This resulted in a one time increase in collection in 1995 equivalent to 384 days versus 364 days of collections.

(3) Adjusted to a normal 364-day year, the City estimates that it would have received approximately \$7,041,400 during 1995 had the accelerated withholding not been implemented. Based upon this adjusted figure, the growth in tax collections comparing 1996 to 1995 would have been approximately 5.78%.

(4) City tax rate increased from 1.75% to 1.95% on 06/01/99; actual collections were not be fully realized until 2000.

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

Source: City of Huber Heights Finance Records

**City of Huber Heights, Ohio**

*Voted Property Tax*

*December 31, 2002*

<u>Authorized</u>	<u>Millage Rate</u>		<u>Purpose</u>	<u>Last Collection Year</u>
	<u>Levied For Current Collection Year (1)</u>			
	<u>Res./Agr.</u>	<u>All Other</u>		
1.000	0.314204	0.406541	Police	Continuing
2.370	0.744663	0.963502	Police	Continuing
0.630	0.198467	0.256791	Police	Continuing
1.500	0.605382	0.735043	Police	Continuing
0.790	0.248221	0.321167	Fire	Continuing
0.420	0.139650	0.170747	Fire	Continuing
0.290	0.091357	0.118205	Fire	Continuing
0.170	0.068618	0.082673	Fire	Continuing
2.250	0.910800	1.112089	Fire	Continuing
0.370	0.150890	0.182876	Fire	Continuing

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

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

Source: County Auditor; Montgomery County, Ohio



**City of Huber Heights, Ohio**  
*Land Use by Acres and Valuation*  
*December 31, 2002*

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Land Use	Area (in acres) (1)	Percent of Assessed Valuation of Real Property (2002 Valuation) (2)
Residential	6,175	78.68%
Commercial/Industrial	2,167	20.63
Public Utility	184	(a)
Governmental and Other Tax Exempt	1,757	(b)
Agricultural	3,709	0.69
Undeveloped	1,008	(c)

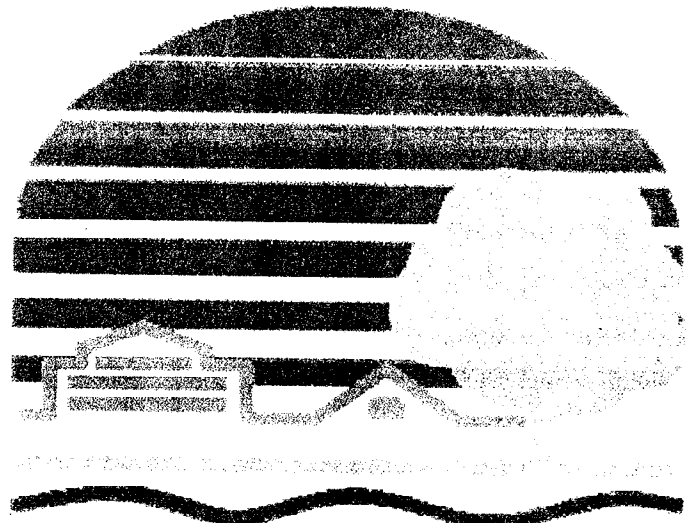
(a) Not available from County Auditor

(b) Not applicable. Exempt from property taxation

(c) Included in above categories.

Source: (1) City of Huber Heights Planning and Development Division, 2002

(2) Montgomery County Auditor



# HUBER HEIGHTS

*Come Grow With Us!*



## Auditor of State Betty Montgomery

### INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO MAJOR FEDERAL PROGRAMS AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

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

#### Compliance

We have audited the compliance of the City of Huber Heights, Montgomery County (the City), with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2002. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

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

In our opinion, the City complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2002.

#### Internal Control Over Compliance

The management of the City is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

**Internal Control Over Compliance  
(Continued)**

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

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

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

**Betty Montgomery**  
Auditor of State

May 9, 2003

**City of Huber Heights**  
*Schedule of Federal Award Expenditures*  
*For the Year Ended December 31, 2002*

<b><u>Federal Grantor</u></b> <i>Pass-thru Grant</i> Program Title	Grant Number	Catalog of Federal Domestic Assistance Number	Disbursements
<b><u>U. S. Department of Housing and Urban Development</u></b>			
<i>Passed through Montgomery County</i>			
Community Development Block Grant/Entitlement Grants	B-98-UC-39-0004	14.218	\$36,767
	B-01-UC-39-0004	14.218	50,000
	B-02-UC-39-0004	14.218	<u>100,000</u>
Total U. S. Department of Housing and Urban Development			<u>186,767</u>
<b><u>U. S. Department of Health and Human Services</u></b>			
<i>Passed through Ohio Department of Job and Family Services</i>			
<i>Passed through Montgomery County</i>			
Prevention, Retention & Contingency - Development Reserve	N/A	93.558	<u>18,976</u>
Total U. S. Department of Health and Human Services			<u>18,976</u>
<b><u>U. S. Department of Justice</u></b>			
Cops More 2000	2001-CM-WX-0339	16.710	229,349
Local Law Enforcement Block Grant Program	2001-LB-BX-3331	16.592	21,844
Bulletproof Vest Partnership Program	N/A	16.607	1,663
Federal Equity Sharing	N/A	16.000	<u>5,524</u>
Total U. S. Department of Justice			<u>258,380</u>
<b><u>U. S. Department of Transportation</u></b>			
<i>Passed through Ohio Department of Public Safety</i>			
State and Community Highway Safety	N/A	20.600	<u>41,356</u>
Total U. S. Department of Transportation			<u>41,356</u>
Total			<u><u>\$505,479</u></u>

**City of Huber Heights, Ohio**  
*Notes to the Schedule of Federal Award Expenditures*  
For the Year Ended December 31, 2002

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NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Federal Awards Expenditures (the schedule) summarizes activity of the Government's federal award programs. The schedule has been prepared on the cash basis of accounting.

NOTE B - MATCHING REQUIREMENTS

Certain Federal programs require that the Government contribute non-Federal funds (matching funds) to support the Federally-funded programs. The government has complied with the matching requirements. The expenditure of non-Federal matching funds is not included on the schedule.

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A -133 § .505**

**CITY OF HUBER HEIGHTS  
MONTGOMERY COUNTY  
DECEMBER 31, 2002**

**1. SUMMARY OF AUDITOR'S RESULTS**

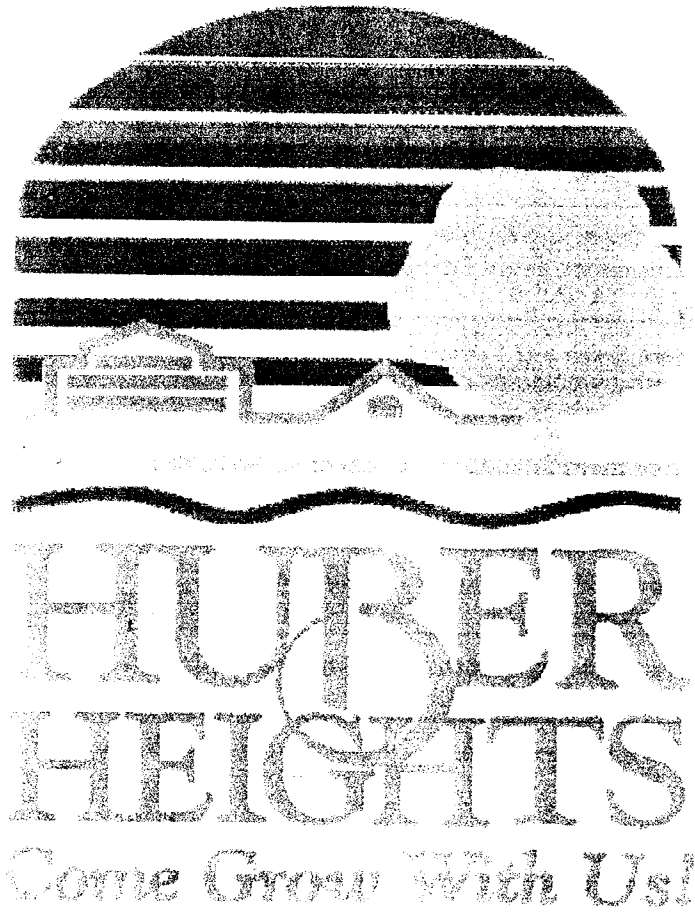
<b>(d)(1)(i)</b>	<b>Type of Financial Statement Opinion</b>	Unqualified
<b>(d)(1)(ii)</b>	<b>Were there any material control weakness conditions reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(ii)</b>	<b>Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iii)</b>	<b>Was there any reported material non-compliance at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any material internal control weakness conditions reported for major federal programs?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any other reportable internal control weakness conditions reported for major federal programs?</b>	No
<b>(d)(1)(v)</b>	<b>Type of Major Programs' Compliance Opinion</b>	Unqualified
<b>(d)(1)(vi)</b>	<b>Are there any reportable findings under § .510?</b>	No
<b>(d)(1)(vii)</b>	<b>Major Programs (list):</b>	CFDA #14.218 - Community Development Block Grant; CFDA #16.710 - COPS MORE 2001
<b>(d)(1)(viii)</b>	<b>Dollar Threshold: Type A\B Programs</b>	Type A: > \$ 300,000 Type B: all others
<b>(d)(1)(ix)</b>	<b>Low Risk Auditee?</b>	No

**2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS  
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

None

**3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

None







**Auditor of State  
Betty Montgomery**

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800-282-0370

Facsimile 614-466-4490

**CITY OF HUBER HEIGHTS**

**MONTGOMERY COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
JUNE 26, 2003**