



Mary Taylor, CPA
Auditor of State

CITY OF FAIRBORN
GREENE COUNTY

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

City of Fairborn
Greene County
44 West Hebble Avenue
Fairborn, Ohio 45324-4999

To the Mayor and the City Council:

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Fairborn, Greene County, (the City) as of and for the year ended December 31, 2007, which collectively comprise the City's basic financial statements and have issued our report thereon dated July 11, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our audit procedures for expressing our opinions on the financial statements, but not to opine on the effectiveness of the City's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the City's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider significant deficiencies.

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

We consider the following deficiencies described in the accompanying schedule of findings to be significant deficiencies in internal control over financial reporting: 2007-001 through 2007-003.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the City's internal control will not prevent or detect a material financial statement misstatement.

**Internal Control Over Financial Reporting
(Continued)**

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and accordingly, would not necessarily disclose all significant deficiencies that are also material weaknesses. However, of the significant deficiencies described above, we believe finding number 2007-001 is also a material weakness.

We also noted certain internal control matters that we reported to the City's management in a separate letter dated July 11, 2008.

Compliance and Other Matters

As part of reasonably assuring whether the City's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect 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 an opinion. The results of our tests disclosed an instance of noncompliance or other matter that we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2007-004.

We also noted certain noncompliance or other matters not requiring inclusion in this report that we reported to the City's management in a separate letter dated July 11, 2008.

The City's responses to the findings identified in our audit are described in the accompanying schedule of findings. We did not audit the City's responses and, accordingly, we express no opinion on them.

We intend this report solely for the information and use of the audit committee, management, the Mayor and the City Council. We intend it for no one other than these specified parties.



Mary Taylor, CPA
Auditor of State

July 11, 2008

**CITY OF FAIRBORN
GREENE COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2007**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2007-001

Material Weakness - Due from Other Governments

Governmental Accounting Standard Board (GASB) statement number 33 (GASB Codification N50, paragraph .116-.117) requires assets to be recognized when all eligibility requirements are met or funds are received; whichever is first, for government-mandated nonexchange transactions. Revenue is to be recognized when all eligibility requirements have been met. If a gift is received prior to meeting the eligibility requirements, it is recorded as deferred revenue. Eligibility requirements are conditions specified by a donor that must be met, such as time requirements and matching requirements. Purpose restrictions are not eligibility requirements and do not affect revenue recognition. Gifts received with purpose restrictions should be reported as restricted until used for the designated purpose or until the restriction expires.

The City had the following grant awards approved prior to year ending 2007 that were not booked as receivables on the Balance Sheet and the Statement of Net Assets:

- Community Development Block Grant for various projects in the amount of \$233,489;
- Ohio Public Works Commission (OPWC) Issue II for the Dayton Yellow Springs Road major reconstruction project in the amount of \$1,050,000;
- Ohio Department of Transportation (ODOT) CMAQ grant for Colonel Glenn Highway traffic signal and Dayton Yellow Springs Road traffic signal upgrade in amount of \$378,840.

Audit adjustments were made to correctly report these misstatements. Policies and procedures should be implemented to verify the accuracy and completeness of receivables in accordance with GASB statement number 33. Failure to do so could result in material misstatements in the financial statements.

Officials' Response: *Procedures have been implemented to track grant applications in order to identify grant awards to ensure the completeness of this intergovernmental receivable.*

FINDING NUMBER 2007-002

Significant Deficiency - Net Assets

Governmental Accounting Standards Board Codification Sections 1800.133--141 and 2200.118--125 require net assets to be categorized as invested in capital assets, net of related debt and restricted with a disclosure of categories of restrictions in the notes if not on the face of the statements.

The City included \$1,262,412 in special assessment notes and bonds outstanding at year end that were not used for capital acquisitions in the invested in capital assets, net of related debt calculation. Additionally, the City did not present \$1,638,766 in net assets restricted for capital projects. This resulted in a misclassification of net assets among the various categories. Adjustments were not made as each error was more than inconsequential but less than material and the likelihood of misstatements were more than remote as similar exceptions were noted in the prior audit.

Policies and procedures should be established and implemented to verify that net assets are reported in correct amounts and classifications. Failure to do so could result in material misstatements on the City's financial statements.

Officials' Response: *Special attention will be paid to net asset restrictions in the future in order to more accurately classify net assets.*

FINDING NUMBER 2007-003

Significant Deficiency

Governmental Accounting Standards Board Codification Section 1300.103 notes that the use of fund accounting and financial statements that show the sources and uses of current financial resources (e.g. taxes, capital outlay, debt service) are accounting and reporting practices that help demonstrate fiscal accountability. Monies derived from special levies, for example, should be credited to a special fund to monitor compliance with the purpose for which the levy was made.

The City did not establish a separate fund for the Police levy and all revenue derived from the levy was credited to the General Fund. During 2007 the levy generated \$146,771. This amount was determined to be more than inconsequential to the opinion unit. To verify that amounts generated from the levy are spent in accordance with the levy requirements, the City should establish a special fund for each special levy. Failure to do so could result in expenditures being made from levy receipts that are not in accordance with the levy requirements.

Officials' Response: *The police department budget is accounted for in the General Fund and exceeded \$5.5 million in 2007. Police levy revenue in the amount of \$146,771 funds less than 3% of this budget. Compensating controls are in place to ensure that all police levy revenues received are spent in accordance with levy requirements. It is the City's opinion the expense of establishing a separate fund to account for the police levy revenues does not exceed the benefit expected to be derived.*

FINDING NUMBER 2007-004

Finding for Recovery—Repaid Under Audit and Noncompliance Citation

Ohio Constitution Art. II Section 20 states that “the general assembly, in cases not provided for in this constitution, shall fix the term of office and the compensation of all officers; but no change therein shall affect the salary of any officer during his existing term, unless the office be abolished”. In addition, **Section 2.04** of the City's charter states that “The Council may determine the annual salary of Councilmen and Mayor by ordinance, but no ordinance increasing or decreasing such salary shall become effective until the date of commencement of the terms of Councilmen elected at the next regular election, provided that such election follows the adoption of such ordinance by at least six months”.

On February 19, 2007, the City Council approved increasing the annual salary of Council Members from \$250 per month to \$500 per month effective December 3, 2007. All Council Members received the increase in pay at that time. The current term of Council Member Frederick Pumroy runs from December 2005 to December 2009, thereby providing an unallowable in-term salary increase of \$250 during 2007.

In accordance with the foregoing facts, and pursuant to **Ohio Rev. Code Section 117.28**, a Finding for Recovery for over compensation with public money is hereby issued against Frederick Pumroy, Council Member, in the amount of \$250 and in favor of the City of Fairborn's General Fund.

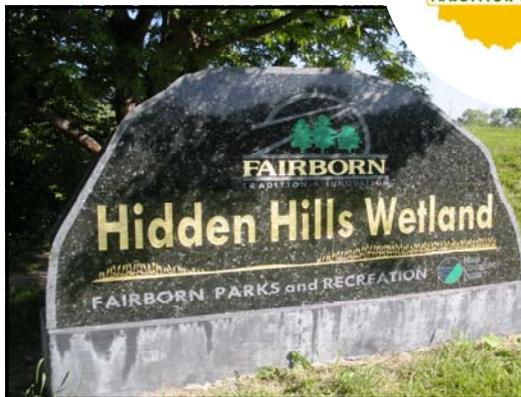
The Finding for Recovery was repaid under audit in the amount of \$250 with check #659 to the credit of the City of Fairborn's General Fund on April 2, 2008.

Officials' Response: *The City is aware of the provision prohibiting in-term increases for council members and has established procedures to ensure council members receive appropriate compensation.*

**CITY OF FAIRBORN
GREENE COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS
DECEMBER 31, 2007**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2006-001	Various errors requiring audit adjustments for capital assets.	Yes	
2006-002	City classifying various types of revenue as other revenue.	Yes	
2006-003	City following up on income tax non-filers.	Yes	
2006-004	City obtaining a Tier II SAS 70 report for Health Serve (Med3000).	Yes	
2006-005	City double counting issuance of special assessment debt.	Yes	
2006-006	Ohio Rev. Code Sec. 5705.14 & .16 – Council approval of transfers.	Yes	
2006-007	Ohio Rev. Code Sec. 5705.41(D) – proper certification of expenditures.	No	Partially corrected – repeated as management letter comment.
2006-008	Ohio Rev. Code Sec. 5705.10(C) – establishing separate fund for police levy.	No	Not Corrected – Repeated in management letter as citation and in report as significant deficiency - finding number 2007-003.



City of Fairborn, Ohio

Comprehensive Annual Financial Report

For the year ended December 31, 2007

CITY OF FAIRBORN, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2007

Issued by:
Department of Finance

Randall J. Groves, CPFO, CGFM
Finance Director



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**CITY OF FAIRBORN
FINANCE DIVISION**

**44 W. Hebble Ave.
Fairborn, OH 45324-4999
(937) 754-3005
Fax (937) 754-3115**

July 11, 2008

The Honorable Mayor and
Members of the Council
City of Fairborn
44 West Hebble Avenue
Fairborn, Ohio 45324

Submitted for your review is the Comprehensive Annual Financial Report (CAFR) of the City of Fairborn ("the City") for the year ended December 31, 2007. The report has been prepared in accordance with generally accepted accounting principles established by statements of the Governmental Accounting Standards Board (GASB), other authoritative pronouncements and guidelines recommended by the Government Finance Officers Association of the United States and Canada (GFOA).

Introduction

While there is no legal requirement for the preparation of this report, it represents a commitment by the City of Fairborn to conform to nationally recognized standards of excellence in financial reporting. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City Finance Department. We believe the data, as presented, is accurate in all material respects; that it is presented in a manner designed to fairly set forth the financial position and results of operation of the City; and that all disclosures necessary to enable the reader to gain an understanding of the City's financial activity have been presented.

The Reporting Entity

The accompanying basic financial statements comply with the provisions of Governmental Accounting Standards Board (GASB) Statement No. 14/39, *"The Financial Reporting Entity"* in that the financial statements include all the organizations, activities, functions and component units for which the City (the reporting entity) is financially accountable. Financial accountability is defined as the appointment of a voting majority of the component unit's board, and either (1) the City's ability to impose its will over the component unit, or (2) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the City.

Based on the foregoing, the City's financial reporting entity has no component units but includes all funds, agencies, boards, commissions and jointly governed organizations that are part of the primary government, which includes the following services: public safety (police, fire, emergency medical services and public prosecutor), sanitation, social services, culture and recreation, water and sewer, planning and zoning, construction and maintenance of highways, streets and infrastructure, income tax collection, municipal court and general administrative services. City Council and the City Manager have direct responsibility for these activities.

The City of Fairborn

The City of Fairborn is located in the west central part of the state of Ohio, approximately 60 miles north of Cincinnati, 70 miles west of Columbus and 10 miles northeast of Dayton, on Interstate 675. Easy access to both Interstates 70 and 75 place Fairborn within approximately a one-hour drive of Cincinnati and Columbus. The home of aviation, Fairborn is the site of the Wright Brothers Memorial, Air Force Institute of Technology, Wright Field, Wright State University and Wright Patterson Air Force Base.

The City of Fairborn is a home rule municipal corporation operating under its own charter. In November 1946, the electors of the Village of Osborn adopted a charter to take effect January 1, 1948. In the November 1948 election, the Village of Osborn voted to annex the Village of Fairfield and to change the name of the Village to Fairborn, effective January 1, 1950. The Village of Fairborn became a city on August 20, 1951, with the electorate adopting the City's first charter on November 2, 1971.

The City operates under a Council-Manager form of government. City Council consists of six members elected to four-year terms in the general municipal election. The Mayor, as seventh City Council member, is elected to a two-year term by a separate ballot from the municipality at large. City Council appoints the City Manager who oversees the daily operations of the City. The City Manager appoints all department managers of the City.

Economic Condition and Outlook

Economic diversity continues to be essential to the City of Fairborn. The community is home to Wright State University (WSU) and serves as the gateway to Wright-Patterson Air Force Base (WPAFB). The City remains committed to an economic development strategy that capitalizes on the assets of WPAFB and Wright State and encourages a balance between new construction and redevelopment opportunities. Although the City anticipates positive changes in employment at WPAFB as a result of the last round of Base Realignment and Closures (BRAC), the community continues to encourage a diverse economic base.

Initial estimates have placed the number of BRAC transfers at approximately 1,100 with additional associated contracting and support individuals at approximately 3,300. The City of Fairborn is partnering with the Dayton Development Coalition to coordinate economic development strategies and opportunities with local governments and businesses. The City is actively focusing on areas of global growth and regional strength including data management, advance “smart” materials and manufacturing and human aerospace sciences, as well as biomedicine and nanotechnology efforts.

Although the local economy experienced a slight downturn in construction activity as compared to 2006 levels, the City of Fairborn continued to experience economic growth at a steady pace in 2007 as several new residential and commercial projects were established. The total value of all construction activity in 2007 was \$35.2 million compared to \$35.9 million the previous year.

The value of residential construction in 2007 was \$17.5 million versus \$11.9 million in 2006 representing a 47% increase. New single-family home construction numbers in 2007 were slightly higher than those in 2006, 78 versus 75. The number of housing starts shows the single-family housing market remains robust. The majority of new residential construction activity in 2007 occurred within nine residential subdivisions: Ashbury Hill Estates, Candlelite Estates, Chapelgate, Cornerstone, Faircreek Ridge, Meadowlands Estates, Park Hills Crossing, the Sanctuary and Misty Creek.

Although commercial construction activity was down from the previous year, the plans of several businesses to invest in new facilities came to fruition in 2007 and contributed to another busy commercial construction year. Commercial and industrial development in 2007 was \$17.7 million in activity versus \$24 million in 2006. New businesses included two restaurants, a bank and a hotel, as well as various gift and specialty stores in downtown Fairborn.

The Valle Greene North commercial subdivision continues to be poised for commercial and light industrial development activity with approximately 120 acres of land open for development. Additional office development is expected to occur along North Commerce Center Boulevard, which extends north to Garland Avenue.

In 2007, both the Fairborn Chiropractic clinic on Channingway Drive in Valle Green North and Beaver Valley Self Storage on Beaver Valley Road completed construction and opened during the year. Additionally, the Point at Valle Greene, an office campus comprised of approximately 155,000 square feet of prime Class A office space serving medical professionals as well as military contractors, saw its first structure erected.

The City is also working to determine the needs of business owners and continue the revitalization of downtown by working with the Downtown Fairborn Business Association within the framework of the Heritage, Ohio Program (formerly Main Street, USA). Program suggested committees are meeting in association with the generation of a 2008 downtown action plan.

Additionally, the City hired a consultant to provide a Market Study to review and assess current economic conditions in play for the greater Broad Street corridor. The study preliminarily identified potential niche or specialty markets and demographically supported end-users that could be targeted with robust marketing efforts. The document is additionally intended to provide a basis for grants, loans and/or incentives as well.

Major Initiatives

For the Year

As with other cities, the adequacy of the City's infrastructure to support City needs is essential. Also, economic development and revitalization continue to be the City's priority.

A ten-year, one quarter of one percent income tax levy was approved by the residents in 2004 for resurfacing, reconstruction and repairs of the City's thoroughfares and residential streets. The City developed a strategic plan and identified the thoroughfares and streets that will be upgraded as part of this ten-year initiative. The levy generates approximately \$1.8 million per year to finance the infrastructure improvements and through 2007, the third year of this street improvement program, the City has resurfaced or repaired 18.7 miles of roadways affecting 63 local streets and 9 thoroughfares. Although not quite one-third of the way toward completion, the progress to date has been marked and noticeable.

During the same election in 2004, residents also approved a one-quarter of one percent income tax levy for fire facilities and equipment. The ten-year tax levy also generates approximately \$1.8 million dollars to finance land acquisition and the construction of two new fire facilities, the renovation of two existing fire stations, and the purchase of equipment for these stations. The two new stations opened for operations in January 2007. The two renovated stations remained open during the renovation and were completed in March 2007. The City issued a \$10 million revenue bond and a \$2.5 million bond anticipation note to finance these fire facilities improvements and equipment purchases.

In accordance with the Water Master Plan, the City began construction of a new well field. The initial installation includes two wells, a power building, emergency power generation, and enhanced security features. This resource provides supplement and backup to our existing infrastructure as well as helps to assure the City's ability to meet future demands.

In 2007, major renovations were completed to the lobby and council chambers at the Fairborn Government Center. Both areas were completely repainted and the carpeting, audio and visual equipment, and most of the furniture were completely replaced in council chambers. The lobby flooring was replaced with a stained and polished concrete floor. A digital touch screen information kiosk and an informational video message center were added and the information rack for public documents was upgraded. This overall makeover brought the lobby and public meeting area into the digital age.

2007 was the year for playground replacements at four park locations. Patterson Park, Rona Hills Park, Wright Park and Community Park all received new playgrounds. The Patterson Park playground was purchased using a Community Development Block Grant. Playgrounds at Rona Hills Park and Wright Park were purchased from funds in the Parks and Recreation Capital Improvement Fund and the playground at Community Park was made possible from a private \$25,000 donation. These new playground additions serve as a constant reminder to our citizens why Fairborn has the best park system in Greene County.

For the Future

The City's Comprehensive Plan helps facilitate managed and orderly growth. The City's growth continues to challenge the abilities of its infrastructure, especially water distribution, sewer collection, and street construction maintenance and repairs. The City remains steadfast in its commitment to ensure the maintenance of existing infrastructure and the development of adequate new infrastructure to meet future demands.

The City plans to continue developing its water resources with an additional well in the new well field, a second raw water line to convey water under the river and to the water treatment plant, and upgrades to the treatment facility that will improve both water quality and quantity.

Through the City's efforts to coordinate the revitalization of its downtown and Broad Street areas, the future is bright for a strong, viable community.

With the BRAC initiatives on the horizon, the City is in a position to accept new businesses, and ancillary contractors in the future. The City has adopted an aggressive approach to retaining existing businesses and attracting new businesses in order to assure a healthy, well diversified business base in the future.

Financial Information

Basis of Accounting

Except for that used for budgetary purposes, the basis of accounting used by the City is in conformity with generally accepted accounting principles (GAAP) as applicable to governmental units and is consistent with GASB Codified Section 1600, "Basis of Accounting." All governmental funds are accounted for using a current financial resources (current assets and current liabilities) measurement focus. The modified accrual basis of accounting is utilized for the governmental funds. Revenues are recognized when they are susceptible to accrual; both measurable and available. Expenditures are recognized when the related liability is incurred except for interest on long-term debt which is recorded when due.

The measurement focus for the City's proprietary funds is on the flow of economic resources (all assets and all liabilities). The accrual basis of accounting is utilized which recognizes revenues when earned and expenses when incurred.

The City's basis of accounting for budgetary purposes differs from generally accepted accounting principles in that revenues are recognized when received, rather than when susceptible to accrual (measurable and available) and encumbrances are recorded as expenditures rather than as reservations of fund balances.

Internal Control Structure and Budgetary Controls

Development of the City's accounting system included consideration of internal accounting controls. These 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 ensure that the expense associated with providing internal controls does not exceed the benefit expected to be derived from its implementation. This evaluation involves estimates and judgment by City administration and members of the finance office. The 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.

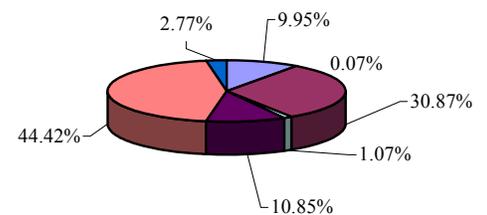
Budgetary control is maintained by the encumbrance of purchase amounts prior to the release of purchase orders to vendors. Purchase orders are not issued when insufficient appropriations preclude the encumbrance of the purchase amount. Each department head is furnished a monthly report showing the month's transactions and a summary of the balances available to be spent from the appropriations for goods and services. The legal level of budgetary control is by fund, department, and line item.

Cash Management

In July 1996, the City adopted changes to its investment policy and hired BondTech, Inc., as an investment consultant. With the guidance of BondTech, the City pursues an aggressive cash management program by expediting the receipt of revenues and prudently investing available cash pursuant to the City's investment policy. The total interest earned exceeded \$1.3 million for the year ended December 31, 2007. 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 face value of the pooled collateral must equal at least 105 percent of the uninsured public funds on deposit. The collateral is held by trustees, including the Federal Reserve Bank and designated third party trustees 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.

<u>Cash Resources</u>	<u>2007</u>	<u>%</u>
Cash	\$1,802,738	9.95%
STAR Ohio	5,591,110	30.87%
Investments (City's Debt)	12,411	0.07%
Treasury Obligation Fund	193,188	1.07%
Federal Home Loan Mortgage Corporation	1,964,507	10.85%
Federal Home Loan Bank	8,045,006	44.42%
Federal Farm Credit Bank	501,875	2.77%
	<u>\$18,110,835</u>	<u>100.00%</u>



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; and injuries to employees and natural disasters. The City is a member of the Public Entities Pool of Ohio (PEP), a risk sharing self-insurance pool. The pool consists of 440 local governments who pool risk for property, liability, and public official liability.

The City maintains the following insurance coverage: General Liability, Property Casualty, Police and Public Officials Liability, and Ambulance Drivers Liability. It also maintains Workers' Compensation insurance.

See Note 15 to the basic financial statements for a more detailed discussion of risk management.

Other Information

Employee Union Contracts

City employees are members of five different bargaining groups. The American Federation of State, County and Municipal Employees (AFSCME); Fraternal Order of Police (FOP), which includes separate contracts for Police Officers, Dispatchers and Sergeants; and International Association of Firefighters (IAFF). The AFSCME and FOP - Sergeants, Police Officers, and Dispatchers union contracts were renegotiated in 2005. The FOP contracts have an effective date of June 25, 2005, and expire June 20, 2008. Negotiations are ongoing for a new three-year term. The AFSCME union contract is effective April 2, 2005, and expired on March 28, 2008. Negotiations are ongoing and a settlement is expected in the near future. The IAFF (Fire) union contract was renegotiated in 2007 with an effective date of January 1, 2007, and expires December 31, 2009.

Management's Discussion and Analysis (MD&A)

GASB Statement No. 34 requires management to provide an introductory overview and narrative known as Management's Discussion and Analysis (MD&A), to accompany the basic financial statements. This transmittal letter is intended to be read in conjunction with this analysis. The MD&A can be found immediately following the independent accountant's report.

Independent Audit

Ohio law and the Fairborn City Charter require an annual audit of the City's financial statements by an independent auditor. The Ohio Auditor of State performed the audit for the year ending December 31, 2007, and included in this report is their unqualified opinion rendered on the City's basic financial statements. The annual audit also provides an opportunity for an independent review of the City's financial policies and procedures and the comments and recommendations generated continually strengthen the City's accounting and budgeting controls. The results of the audit are presented in the Independent Accountants' Report.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Fairborn for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2006. This was the eighteenth year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such a report must satisfy both generally accepted accounting principles and applicable legal requirements.

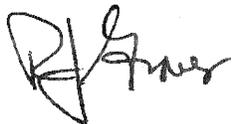
A Certificate of Achievement is valid for one year. We believe our current report continues to conform to the Certificate of Achievement program requirements and we will be submitting it to the GFOA to determine its eligibility for another certificate for the fiscal year ended December 31, 2007.

Acknowledgments

The preparation of this CAFR was made possible by the efficient and dedicated services of the entire staff of the Finance Department and fiscal personnel in other City departments. Special appreciation is expressed to Annetta Williams, Fiscal Officer, and supporting finance staff for their efforts and commitment to the preparation of this report and ensuring it conforms to the highest standards in governmental financial reporting. We also thank the members of City Council for their interest and support in planning and conducting the financial operations of the City of Fairborn in a responsible and progressive manner.

It is the mission of the Finance Department to serve the City and its citizens with the highest degree of fiscal responsibility and professionalism. By issuing this CAFR we endeavor to remain fiscally accountable in order to preserve the public's confidence in our ability to govern the City's finances.

Respectfully submitted,



Randall J. Groves, CPFO, CGFM
Finance Director

CITY OF FAIRBORN, OHIO

Listing of Principal City Officials

December 31, 2007

COUNCIL - MANAGER FORM OF GOVERNMENT

CITY COUNCIL

Gary L. Woodward, Mayor
Joan Dautel, Deputy Mayor

Fred L. Pumroy, Council Member
Frank Cervone, Council Member
David O. Lower, Council Member
James R. Hapner, Council Member
E.J. Griffith, Council Member

CITY MANAGER

Deborah A. McDonnell

CITY SOLICITOR

Michael Mayer

FINANCIAL ADMINISTRATIVE SERVICES DIRECTOR*

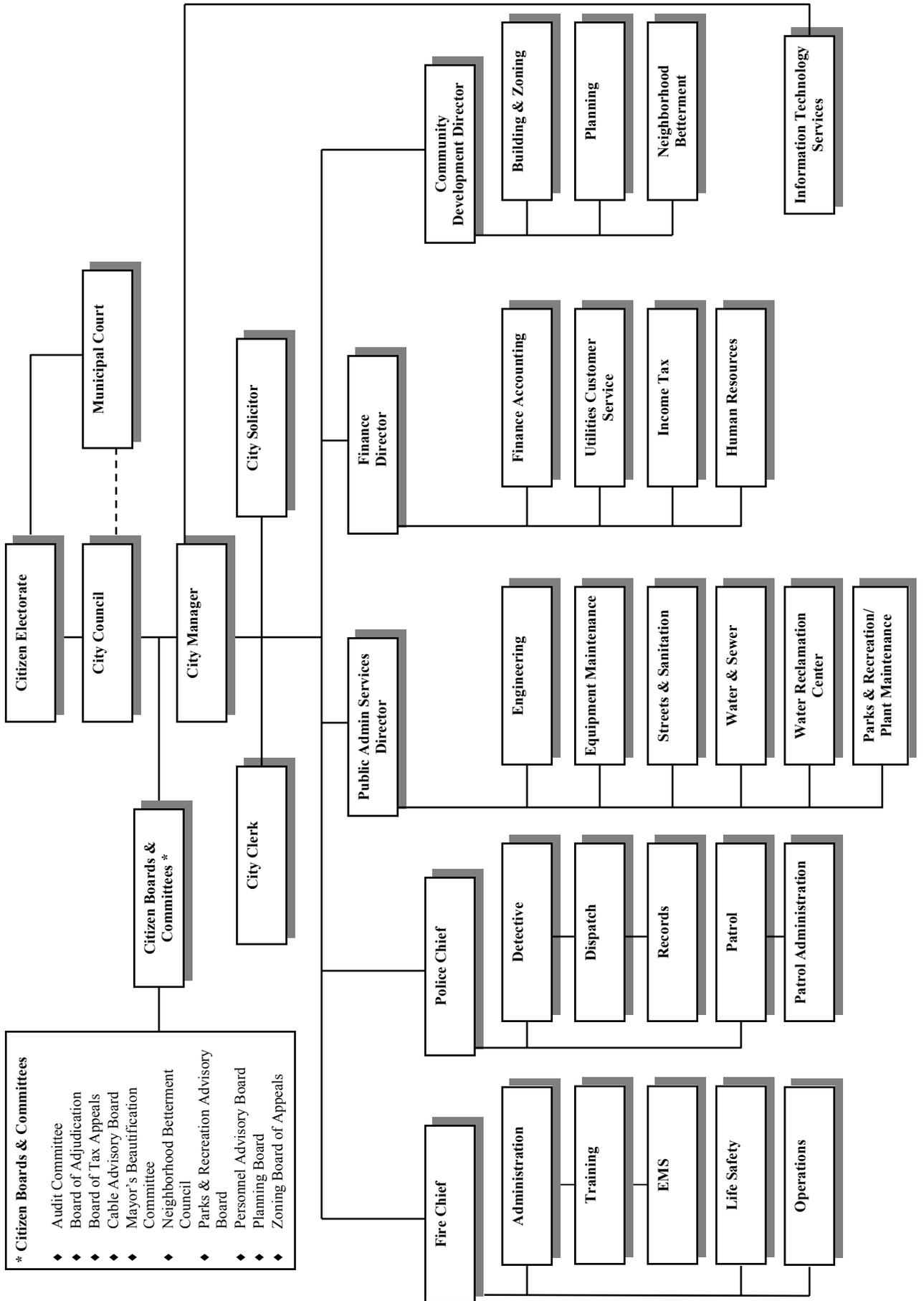
Bill Kucera

FISCAL OFFICER

Annetta L. Williams

* - As of March 17, 2008, Randall J. Groves became the City of Fairborn's Finance Director

City of Fairborn Organizational Chart



Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Fairborn
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2006

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



Oliver S. Cox

President

Jeffrey R. Emer

Executive Director



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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

City of Fairborn
Greene County
44 West Hebble Avenue
Fairborn, Ohio 45324-4999

To the Mayor and the City Council:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Fairborn, Greene County, Ohio (the City), as of and for the year ended December 31, 2007, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure 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 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 Fairborn, Greene County, Ohio, as of December 31, 2007, and the respective changes in financial position and where applicable, cash flows, thereof and the respective budgetary comparisons for the General Fund and the Fire and EMS Fund 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 July 11, 2008, 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 grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information accounting principles generally accepted in the United States of America requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

We conducted our audit to opine 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 provide additional information and are not a required part of the basic financial statements. We subjected the combining nonmajor fund statements and schedules to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. We did not subject the introductory section and statistical tables to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on them.

A handwritten signature in cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

July 11, 2008

CITY OF FAIRBORN

Management's Discussion and Analysis
For The Year Ended December 31, 2007
(Unaudited)

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis is an introspective look at the finances of the City of Fairborn for the year ending December 31, 2007, providing an overview of the City's financial performance as a whole while assisting readers in interpreting the basic financial statements. In addition to the information presented here, readers are also encouraged to review the transmittal letter, notes to the basic financial statements, and financial statements to enhance their understanding of the City's financial performance.

FINANCIAL HIGHLIGHTS

- Net assets of governmental activities increased by \$2.6 million while net assets of business-type activities increased by \$.2 million, resulting in a 3% increase in the City's total net assets.
- The General Fund balance increased \$.3 million to \$5.7 million.
- Unrestricted governmental activity net assets realized a 72% increase to \$9 million.
- Business-type activity operations reflected an operating income of \$.6 million and unrestricted net assets increased 5% to \$7 million.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of a series of financial statements. These statements are presented so the reader can understand the City's financial situation as a whole and to 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 long-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 non-major funds presented in total in one column.

Government-wide Financial Statements

The analysis of the City as a whole begins with the Government-wide Financial Statements. These reports provide information that will help the reader determine if the City of Fairborn 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. This change informs the reader whether the City's financial position, as a whole, has improved or diminished. In evaluating the overall financial health, the reader of these financial statements needs to take into account non-financial factors that also impact the City's financial well being. Some of these factors include the City's tax base and the condition of capital assets.

In the Government-wide Financial Statements, the City's operations are divided into two kinds of activities.

- **Governmental Activities** - Most of the City's program services are reported here including general government, public safety, leisure time activities, community development, transportation and street repair, public health and welfare, and interest and fiscal charges. Income taxes, property taxes, intergovernmental revenue, charges for services, and interest income finance most of these activities.
- **Business-Type Activities** - These services include Water, Sewer, and Sanitation. Service charges for these operations are assessed based upon the amount of usage or a usage fee. The intent is that the fees charged recoup operational costs.

Fund Financial Statements

Information about the City's major funds is presented in the Fund Financial Statements (see table of contents). Fund financial statements provide detailed information about the City's major funds - not the City as a whole. Some funds are required by State law and bond covenants. Other funds may be established by the City, with approval of Council, to help control, manage and report money received for a particular purpose or to show that the City is meeting legal responsibilities for use of grants. The City's major funds are General, Fire and EMS, General Bond Retirement, Public Safety Equipment/Facility, Tax Increment Financing, Water, Sewer, and Sanitation.

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 determine whether there are more or less financial resources that can be spent in the near future on services provided to our residents. The relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is reconciled in the financial statements.

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

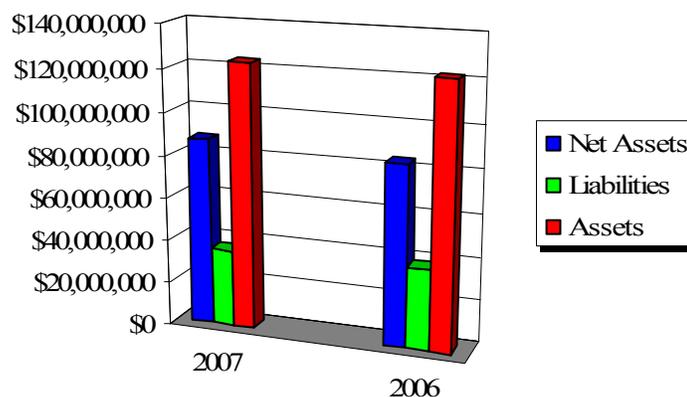
Fiduciary Funds - Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the City's own programs. All of the City's fiduciary activities are reported in a separate Statement of Fiduciary Net Assets.

The City as a Whole

As stated previously, the Statement of Net Assets looks at the City as a whole. Table 1 provides a summary of the City's net assets for 2007 compared to 2006.

Table 1
Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2007	2006 Restated	2007	2006 Restated	2007	2006 Restated
Assets						
Current Assets	\$24,026,733	\$24,234,281	\$9,046,258	\$7,916,642	\$33,072,991	\$32,150,923
Capital Assets, Net	67,441,604	66,689,193	24,502,563	23,273,122	91,944,167	89,962,315
Total Assets	91,468,337	90,923,474	33,548,821	31,189,764	125,017,158	122,113,238
Liabilities						
Long-Term Liabilities	12,535,373	13,652,697	8,566,157	9,544,307	21,101,530	23,197,004
Other Liabilities	8,915,855	9,819,110	8,035,275	4,884,567	16,951,130	14,703,677
Total Liabilities	21,451,228	23,471,807	16,601,432	14,428,874	38,052,660	37,900,681
Net Assets						
Invested in Capital Assets, Net of Related Debt	53,485,159	52,488,251	9,928,349	10,090,771	63,413,508	62,579,022
Restricted	7,524,444	9,740,033	0	0	7,524,444	9,740,033
Unrestricted	9,007,506	5,223,383	7,019,040	6,670,119	16,026,546	11,893,502
Total Net Assets	\$70,017,109	\$67,451,667	\$16,947,389	\$16,760,890	\$86,964,498	\$84,212,557



Over time, net assets can serve as a useful indicator of a government's financial position. Total net assets of the City as a whole increased \$2.8 million, representing a 3% improvement from the prior year.

Net assets of the City's governmental activities increased \$2.6 million. Capital assets, net increased mainly due to the completion of fire station #2 and additions to infrastructure. Long-term liabilities decreased due to the City continuing to make payments on their long-term debt obligations. Other liabilities decreased mainly due to a decrease in short-term obligations for 2007.

Net assets of the City's business-type activities increased \$.2 million. The increase in capital assets, net is due mostly to the construction of a well field, pump station, and lift station. Other liabilities increased due to an increase in short-term obligations for 2007, while long-term liabilities decreased due to regularly scheduled payments made on long-term obligations held by the City.

Table 2 shows the changes in net assets for the year ended December 31, 2007, and revenue and expense comparisons to 2006.

Table 2
Changes in Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2007	2006 Restated	2007	2006 Restated	2007	2006 Restated
Program Revenues:						
Charges for Services and Sales	\$6,266,797	\$6,655,686	\$10,166,912	\$9,744,437	\$16,433,709	\$16,400,123
Operating Grants and Contributions	2,910,842	2,504,549	0	0	2,910,842	2,504,549
Capital Grants and Contributions	672,689	2,186,866	0	0	672,689	2,186,866
Total Program Revenues	9,850,328	11,347,101	10,166,912	9,744,437	20,017,240	21,091,538
General Revenue:						
Income Taxes	11,791,441	8,985,856	0	0	11,791,441	8,985,856
Property Taxes	3,044,706	5,002,343	0	0	3,044,706	5,002,343
Grants and Entitlements	2,357,094	1,432,939	0	0	2,357,094	1,432,939
Unrestricted Contributions	0	60,711	0	0	0	60,711
Investment Earnings	1,048,527	895,623	259,186	184,557	1,307,713	1,080,180
Refunds and Reimbursements	0	219,905	0	0	0	219,905
Other Revenues	227,875	240,363	76,471	96,979	304,346	337,342
Total General Revenues	18,469,643	16,837,740	335,657	281,536	18,805,300	17,119,276
Total Revenues	28,319,971	28,184,841	10,502,569	10,025,973	38,822,540	38,210,814
Program Expenses:						
General Government	9,425,790	10,850,767	0	0	9,425,790	10,850,767
Public Safety	12,753,371	13,282,937	0	0	12,753,371	13,282,937
Leisure Time Activities	300,073	486,746	0	0	300,073	486,746
Community Development	1,042,518	1,147,616	0	0	1,042,518	1,147,616
Transportation and Street Repair	1,391,534	1,214,199	0	0	1,391,534	1,214,199
Public Health and Welfare	103,575	109,854	0	0	103,575	109,854
Interest and Fiscal Charges	726,456	598,655	0	0	726,456	598,655
Water	0	0	3,289,099	3,038,417	3,289,099	3,038,417
Sewer	0	0	4,514,767	5,155,747	4,514,767	5,155,747
Sanitation	0	0	2,523,416	2,054,612	2,523,416	2,054,612
Total Program Expenses	25,743,317	27,690,774	10,327,282	10,248,776	36,070,599	37,939,550
Increase (Decrease) in Net Assets						
before Transfers	2,576,654	494,067	175,287	(222,803)	2,751,941	271,264
Transfers - Internal Activities	(11,212)	(8,181)	11,212	8,181	0	0
Change in Net Assets	2,565,442	485,886	186,499	(214,622)	2,751,941	271,264
Beginning Net Assets	67,451,667	66,965,781	16,760,890	16,975,512	84,212,557	83,941,293
Ending Net Assets	\$70,017,109	\$67,451,667	\$16,947,389	\$16,760,890	\$86,964,498	\$84,212,557

Governmental Activities

The City’s governmental activity expenses exceeded program revenues in 2007 by \$15.9 million. However, with an infusion of \$18.5 million of general revenues, the net result was a \$2.6 million increase in governmental activity net assets. Total net assets used in governmental activities now exceed \$70 million.

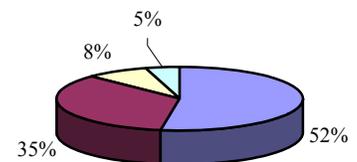
Program revenues supporting governmental activities were 35% of total revenues and consist of charges for services, operating grants and contributions, and capital grants and contributions. General revenues were 65% of total revenues, the bulk of which are income taxes and property taxes which were approximately 6% greater in 2007 compared to 2006. The increase was due mostly to an increase in income tax collections and intergovernmental grant revenues received. Capital grants and contributions were \$1.5 million lower in 2007 than 2006 due to a decrease in dedicated infrastructure to the City. General government and public safety expenses decreased as a result of the City’s continuing efforts to maintain budgetary control and reduce expenses throughout the City.

The unique nature of property taxes in Ohio creates the need to routinely seek voter approval for operating funds. In general, the overall revenue generated by the levy will not increase solely as a result of inflation. As an example, a homeowner with a home valued at \$100,000 and taxed at 1.0 mill would pay \$35 annually in taxes. If three years later the home were reappraised and increased to \$200,000 (and this inflationary increase in value is comparable to other property owners) the effective tax rate would become .5 mills and the owner would still pay \$35.

The City also receives an income tax which is based on 1.5% of all salaries, wages, commissions and other compensation, and on net profits earned from residents living within the City, as well as salaries and wages earned by individuals that work within 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.

Property taxes and income taxes made up 11% and 41% respectively of revenues for governmental activities for the City in fiscal year 2007. The City’s reliance upon tax revenues is demonstrated by the following graph indicating approximately 52% of total revenues from tax revenues:

Revenue Sources	2007	Percent of Total
General Tax Revenues	\$14,836,147	52%
Program Revenues	9,850,328	35%
Grants and Entitlements	2,357,094	8%
All Other Revenues	1,276,402	5%
Total	<u>\$28,319,971</u>	<u>100%</u>



Business-Type Activities

The City’s sewer and water system operations constitute 96% of the business-type activities, with sanitation services making up the remainder. Business-type activities receive no support from tax revenues. Sewer operations, with operating income of \$.8 million, offset operating losses from water and sanitation services, contributing greatly to business-type activity operating income of \$.6 million and an increase in net assets to \$16.9 million in 2007. An increase in charges for services and investment earnings also contributed to the increase in net assets.

The City's Funds

Governmental funds report financial activity focusing on the near-term flow of expendable resources and assists in demonstrating fiscal accountability. Thus, fund balances provide us with a snapshot of what resources are available at year-end for near-term spending, and an analysis of changes to fund balances over time assists in evaluating the degree to which a specific program, or a group of activities, is "living within its means." At year-end, the \$8.3 million fund balance of all governmental funds combined was virtually the same as the balance from a year ago.

The City has five major governmental funds including the General, Fire and EMS, General Bond Retirement, Public Safety Equipment/Facility, and Tax Increment Financing Fund, which combine for 57% of all governmental fund balances and account for 70% of the \$23.5 governmental funds assets.

General Fund: Fund balance at year-end was \$5.7 million, an increase of nearly 5% over 2006, due mainly to an increase in charges for services.

Fire and EMS Fund: The General Fund subsidizes the Fire and EMS Fund with operating transfers with the intent that this fund maintain a zero balance. Accrued expenditures exceeded accrued revenues at year-end resulting in a \$.4 million deficit, reducing the December 31, 2007 fund balance to (\$44,719).

General Bond Retirement Fund: Fund balance at December 31, 2007, was \$.37 million, a slight decrease from 2006, but relatively consistent compared to the prior year.

Public Safety Equipment/Facility Fund: Fund balance at December 31, 2007 was \$.25 million, a \$.4 million decrease in fund balance from 2006 due to expenditures for the year exceeding revenues as the fire station construction and remodeling projects were completed and current equipping needs were met.

Tax Increment Fund: Fund balance at December 31, 2007 was (\$1.6 million), essentially no change from the prior year.

General Fund Budgetary Highlights

The City's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the General Fund.

Final budgeted revenues and expenditures were 100% and 99%, respectively, of the original budget for the General Fund. Actual revenues were virtually equal to budgeted revenues and actual expenditures were within 3% of budgeted expenditures.

Both original and final budgets projected deficit conditions with expenditures exceeding revenues by \$.8 million for the original and \$.6 million for the final budget. However, general government and public safety expenditures were lower than budgeted and transfers-out to the Fire and EMS Fund were \$.23 million less than projected. As a result, actual revenues and other sources exceeded expenditures and other uses by a small margin and the General Fund increased slightly on a cash basis.

Capital Assets and Long-term Obligations

Capital Assets

Table 3
Capital Assets

	Governmental Activities		Business-Type Activities		Total	
	2007	2006 Restated	2007	2006 Restated	2007	2006 Restated
Land	\$13,348,854	\$13,131,579	\$165,741	\$165,741	\$13,514,595	\$13,297,320
Construction in Progress	143,013	9,093,507	1,403,736	347,045	1,546,749	9,440,552
Buildings	19,389,791	8,914,649	18,980,361	17,682,439	38,370,152	26,597,088
Improvements Other Than Buildings	1,773,748	1,615,361	1,785,314	1,785,314	3,559,062	3,400,675
Machinery and Equipment	2,526,139	2,503,205	5,836,533	5,756,716	8,362,672	8,259,921
Vehicles	4,558,375	4,315,782	1,010,549	1,027,269	5,568,924	5,343,051
Infrastructure	64,838,580	63,733,476	21,492,464	21,077,707	86,331,044	84,811,183
Accumulated Depreciation	(39,136,896)	(36,618,366)	(26,172,135)	(24,569,109)	(65,309,031)	(61,187,475)
Total Net Capital Assets	<u>\$67,441,604</u>	<u>\$66,689,193</u>	<u>\$24,502,563</u>	<u>\$23,273,122</u>	<u>\$91,944,167</u>	<u>\$89,962,315</u>

The increase in net capital assets was the result of the increase in infrastructure and an increase in business-type activity construction-in-progress related to a well field, pump station and lift station. Governmental activity buildings increased \$10.5 million as fire station construction and remodeling was completed in 2007.

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

Long-term Obligations

On December 31, 2007, the City had \$21.1 million in long-term obligations outstanding, \$3.7 million due within one year. The following table summarizes the City's long-term obligations outstanding as of December 31, 2007, and 2006:

Table 4
Outstanding Long-term Obligations at Year End

	<u>2007</u>	<u>2006 Restated</u>
Governmental Activities		
General Obligation Bonds	\$1,080,000	\$1,400,000
Special Assessment Notes	12,412	36,111
Special Assessment Bonds	2,000,000	1,760,000
Revenue Bond Payable	7,570,000	8,470,000
Unamortized Premium on Revenue Bond	197,019	225,164
Capital Leases	627,014	720,737
Compensated Absences	<u>1,048,928</u>	<u>1,040,685</u>
Total Governmental Activities	<u>12,535,373</u>	<u>13,652,697</u>
Business Type Activities		
General Obligation Bonds	5,635,804	6,410,684
Special Assessment Bonds	150,000	155,000
Ohio Water Development Authority Loan	2,034,697	2,394,852
Ohio Public Works Commission Loan	133,485	150,170
Capital Leases	20,228	39,576
Landfill Closure and Postclosure Care	424,952	242,628
Compensated Absences	<u>166,991</u>	<u>151,397</u>
Total Business-Type Activities	<u>8,566,157</u>	<u>9,544,307</u>
Total Debt	<u>\$21,101,530</u>	<u>\$23,197,004</u>

Long-term obligations were reduced in 2007 for both governmental and business-type activities by \$1.1 million and \$1 million, respectively. Scheduled debt service on all outstanding bonds, notes, and loans, along with just one new debt issuance, a \$.5 million special assessment bond, resulted in the nearly 10% reduction in long-term obligations for the City.

Under current state statutes, the City's general obligation bonded debt issues are subject to a legal limitation based on 10.5% of the total assessed value of real and personal property. On December 31, 2007, the City's outstanding debt was below the legal limit.

See Note 10 in the notes of the basic financial statements for further details on the City's long-term obligations.

CONTACTING THE CITY'S FINANCE DEPARTMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact Randy Groves, Finance Director at the Fairborn Government Center at 44 West Hebble Avenue, Fairborn, Ohio 45324, or call (937) 754-3005 or e-mail at randy.groves@ci.fairborn.oh.us.

City of Fairborn, Ohio
Statement of Net Assets
December 31, 2007

	Governmental Activities	Business-Type Activities	Total
Assets:			
Equity in Pooled Cash and Investments	\$9,830,198	\$7,674,024	\$17,504,222
Restricted Cash and Investments - Current	0	179,484	179,484
Receivables:			
Taxes	5,351,268	0	5,351,268
Accounts	755,667	843,448	1,599,115
Interest	26,002	8,612	34,614
Intergovernmental	3,747,848	0	3,747,848
Special Assessments	4,193,915	0	4,193,915
Internal Balances	(151,165)	151,165	0
Prepaid Items	57,653	10,980	68,633
Inventory	215,347	178,545	393,892
Nondepreciable Capital Assets	13,491,867	1,569,477	15,061,344
Depreciable Capital Assets, Net	53,949,737	22,933,086	76,882,823
Total Assets	91,468,337	33,548,821	125,017,158
Liabilities:			
Accounts Payable	656,499	468,910	1,125,409
Accrued Wages and Benefits	1,335,732	173,493	1,509,225
Refundable Deposits	0	179,487	179,487
Accrued Interest Payable	76,037	171,677	247,714
Contingent Liabilities	100,000	217,500	317,500
Unearned Revenue	4,277,587	0	4,277,587
Contracts Payable	0	224,208	224,208
General Obligation Notes Payable	2,470,000	6,600,000	9,070,000
Long-Term Liabilities:			
Due Within One Year	2,310,980	1,365,098	3,676,078
Due In More Than One Year	10,224,393	7,201,059	17,425,452
Total Liabilities	21,451,228	16,601,432	38,052,660
Net Assets:			
Invested in Capital Assets, Net of Related Debt	53,485,159	9,928,349	63,413,508
Restricted for:			
Special Revenue	2,954,936	0	2,954,936
Debt Service	4,569,508	0	4,569,508
Unrestricted	9,007,506	7,019,040	16,026,546
Total Net Assets	\$70,017,109	\$16,947,389	\$86,964,498

See accompanying notes to the basic financial statements.

City of Fairborn, Ohio
Statement of Activities
For the Fiscal Year Ended December 31, 2007

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
General Government	\$9,425,790	\$4,255,380	\$0	\$207,780
Public Safety	12,753,371	1,637,736	1,049,361	17,755
Leisure Time Activities	300,073	64,074	0	0
Community Development	1,042,518	279,014	471,822	0
Transportation and Street Repair	1,391,534	897	1,386,364	447,154
Public Health and Welfare	103,575	29,696	0	0
Interest and Fiscal Charges	726,456	0	3,295	0
Total Governmental Activities	25,743,317	6,266,797	2,910,842	672,689
Business-Type Activities:				
Water	3,289,099	2,975,569	0	0
Sewer	4,514,767	4,944,647	0	0
Sanitation	2,523,416	2,246,696	0	0
Total Business-Type Activities	10,327,282	10,166,912	0	0
Totals	\$36,070,599	\$16,433,709	\$2,910,842	\$672,689

General Revenues:
Income Taxes
Property Taxes Levied for:
General Purposes
Special Revenue Purposes
Debt Service Purposes
Capital Projects Purposes
Grants and Entitlements not Restricted to Specific Programs
Investment Earnings
Other Revenues
Transfers-Internal Activities

Total General Revenues and Transfers

Change in Net Assets

Net Assets Beginning of Year, Restated

Net Assets End of Year

See accompanying notes to the basic financial statements.

Net (Expense) Revenue and Changes in Net Assets		
Governmental Activities	Business-Type Activities	Total
(\$4,962,630)	\$0	(\$4,962,630)
(10,048,519)	0	(10,048,519)
(235,999)	0	(235,999)
(291,682)	0	(291,682)
442,881	0	442,881
(73,879)	0	(73,879)
(723,161)	0	(723,161)
(15,892,989)	0	(15,892,989)
0	(313,530)	(313,530)
0	429,880	429,880
0	(276,720)	(276,720)
0	(160,370)	(160,370)
(\$15,892,989)	(\$160,370)	(\$16,053,359)
11,791,441	0	11,791,441
2,174,289	0	2,174,289
564,276	0	564,276
146,175	0	146,175
159,966	0	159,966
2,357,094	0	2,357,094
1,048,527	259,186	1,307,713
227,875	76,471	304,346
(11,212)	11,212	0
18,458,431	346,869	18,805,300
2,565,442	186,499	2,751,941
67,451,667	16,760,890	84,212,557
\$70,017,109	\$16,947,389	\$86,964,498

City of Fairborn, Ohio
Balance Sheet
Governmental Funds
December 31, 2007

	General	Fire and EMS	General Bond Retirement	Public Safety Equipment / Facility	Tax Increment Financing
Assets:					
Equity in Pooled Cash and Investments	\$4,722,692	\$5,120	\$369,539	\$186,612	\$12,838
Receivables:					
Taxes	3,754,349	437,232	164,080	401,657	0
Accounts	177,425	445,141	0	11,901	0
Interest	17,751	0	0	7,854	0
Intergovernmental	1,093,637	22,290	7,050	272,861	0
Special Assessments	0	0	4,193,915	0	0
Interfund	36,764	0	0	0	0
Prepaid Items	54,405	0	0	0	0
Inventory	24,482	0	0	0	0
Total Assets	9,881,505	909,783	4,734,584	880,885	12,838
Liabilities and Fund Balances:					
Liabilities:					
Accounts Payable	106,299	29,773	85	8,428	3,631
Accrued Wages and Benefits	753,634	462,030	0	0	0
Compensated Absences	25,463	0	0	0	0
Accrued Interest Payable	0	0	0	3,333	21,640
Contingent Liabilities	0	0	0	0	0
Interfund Payable	0	0	0	0	0
Deferred Revenue	3,274,919	457,640	4,365,045	121,765	0
Due to Other Funds	9,786	5,059	0	0	0
General Obligation Notes Payable	0	0	0	500,000	1,556,900
Total Liabilities	4,170,101	954,502	4,365,130	633,526	1,582,171
Fund Balances:					
Reserved for Encumbrances	55,473	4,216	0	311,920	0
Reserved for Prepaid Items	54,405	0	0	0	0
Reserved for Inventory	24,482	0	0	0	0
Unreserved, Undesignated, Reported in:					
General Fund	5,577,044	0	0	0	0
Special Revenue Funds	0	(48,935)	0	0	0
Debt Service Funds	0	0	369,454	0	0
Capital Projects Funds	0	0	0	(64,561)	(1,569,333)
Total Fund Balances	5,711,404	(44,719)	369,454	247,359	(1,569,333)
Total Liabilities and Fund Balances	\$9,881,505	\$909,783	\$4,734,584	\$880,885	\$12,838

See accompanying notes to the basic financial statements.

Other Governmental Funds	Total Governmental Funds
\$3,990,092	\$9,286,893
593,950	5,351,268
46,913	681,380
279	25,884
2,352,010	3,747,848
0	4,193,915
0	36,764
2,270	56,675
81,450	105,932
<u>7,066,964</u>	<u>23,486,559</u>
443,449	591,665
68,262	1,283,926
3,411	28,874
6,227	31,200
100,000	100,000
36,764	36,764
2,433,210	10,652,579
5,264	20,109
413,100	2,470,000
<u>3,509,687</u>	<u>15,215,117</u>
347,997	719,606
2,270	56,675
81,450	105,932
0	5,577,044
2,391,571	2,342,636
0	369,454
733,989	(899,905)
<u>3,557,277</u>	<u>8,271,442</u>
<u>\$7,066,964</u>	<u>\$23,486,559</u>



City of Fairborn, Ohio
 Reconciliation of Total Governmental Fund Balance to
 Net Assets of Governmental Activities
 December 31, 2007

Total Governmental Fund Balance \$8,271,442

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

Capital assets used in governmental activities are not financial
 resources and therefore are not reported in the funds.

Capital assets used in the operation of Governmental Funds	67,257,183	
Capital assets used in the operation of Internal Service Funds	<u>184,421</u>	67,441,604

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

Income Taxes	808,893	
Delinquent Property Taxes	225,041	
Intergovernmental	1,147,143	
Other	<u>4,193,915</u>	6,374,992

An internal service fund is used by management to charge
 back costs to individual funds. The assets and
 liabilities of the internal service fund are included in
 governmental activities in the statement of net assets, however
 a portion is also allocated to the Business-Type Activities.

Internal Service Net Assets	760,576	
Capital assets used in the operation of Internal Service Funds	(184,421)	
Compensated Absences used related to Internal Service Funds	58,989	
Allocation to Business-Type Activities	<u>(154,737)</u>	480,407

In the statement of net assets interest payable is accrued when
 incurred, whereas in the governmental funds interest is
 reported as a liability only when it will require the use of
 current financial resources.

(44,837)

Some liabilities reported in the statement of net assets do not
 require the use of current financial resources and therefore
 are not reported as liabilities in governmental funds.

Compensated Absences related to Governmental Funds	(961,065)	
Compensated Absences related to Internal Service Funds	<u>(58,989)</u>	(1,020,054)

Long-term liabilities, are not due and payable in the current
 period and therefore are not reported in the funds.

(11,486,445)

Net Assets of Governmental Activities

\$70,017,109

See accompanying notes to the basic financial statements.

City of Fairborn, Ohio
Statement of Revenues, Expenditures
and Changes in Fund Balance
Governmental Funds
For the Fiscal Year Ended December 31, 2007

	General	Fire and EMS	General Bond Retirement	Public Safety Equipment / Facility	Tax Increment Financing
Revenues:					
Taxes	\$9,691,574	\$399,626	\$147,082	\$1,830,113	\$80,041
Fines, Licenses & Permits	1,470,950	1,450	0	0	0
Charges for Services	2,657,504	1,217,956	0	14,342	0
Investment Earnings	681,893	0	0	199,936	0
Intergovernmental	2,103,058	679,400	13,394	272,861	0
Special Assessments	0	0	399,839	0	0
Other Revenues	114,435	29,321	2,399	1,970	0
Total Revenues	16,719,414	2,327,753	562,714	2,319,222	80,041
Expenditures:					
Current:					
General Government	5,766,208	0	28,577	0	12,624
Public Safety	5,613,445	5,790,744	0	113,661	0
Leisure Time Activities	206,331	0	0	0	0
Community Development	667,293	0	0	0	0
Transportation and Street Repair	0	0	0	0	0
Public Health and Welfare	0	0	0	0	0
Capital Outlay	175,935	0	0	1,551,318	5,507
Debt Service:					
Principal Retirement	6,876	0	378,699	960,000	0
Interest and Fiscal Charges	280	0	158,412	421,082	70,405
Total Expenditures	12,436,368	5,790,744	565,688	3,046,061	88,536
Excess of Revenues Over (Under) Expenditures	4,283,046	(3,462,991)	(2,974)	(726,839)	(8,495)
Other Financing Sources (Uses):					
Proceeds from Sale of Capital Assets	228	0	0	0	0
Issuance of Long-Term Capital-Related Debt	10,880	0	2,802	0	0
Transfers In	0	3,069,702	0	329,835	0
Transfers (Out)	(4,029,891)	0	(11,212)	0	0
Total Other Financing Sources (Uses)	(4,018,783)	3,069,702	(8,410)	329,835	0
Net Change in Fund Balance	264,263	(393,289)	(11,384)	(397,004)	(8,495)
Fund Balance Beginning of Year, Restated	5,447,906	348,570	380,838	644,363	(1,560,838)
Change in Reserve for Inventory	(765)	0	0	0	0
Fund Balance End of Year	\$5,711,404	(\$44,719)	\$369,454	\$247,359	(\$1,569,333)

See accompanying notes to the basic financial statements.

Other Governmental Funds	Total Governmental Funds
\$2,026,835	\$14,175,271
474,554	1,946,954
53,494	3,943,296
167,632	1,049,461
2,127,413	5,196,126
77,255	477,094
141,293	289,418
5,068,476	27,077,620
236,564	6,043,973
736,596	12,254,446
5,636	211,967
337,383	1,004,676
1,328,606	1,328,606
104,930	104,930
2,519,503	4,252,263
216,847	1,562,422
105,257	755,436
5,591,322	27,518,719
(522,846)	(441,099)
15,009	15,237
451,318	465,000
727,835	4,127,372
(97,481)	(4,138,584)
1,096,681	469,025
573,835	27,926
3,004,980	8,265,819
(21,538)	(22,303)
\$3,557,277	\$8,271,442

City of Fairborn, Ohio
 Reconciliation of the Statement of Revenues, Expenditures, and Changes
 in Fund Balance of Governmental Funds to the Statement of Activities
 For the Fiscal Year Ended December 31, 2007

Net Change in Fund Balance - Total Governmental Funds \$27,926

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

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

Capital assets used in Governmental Funds	3,594,139	
Capital assets used in Internal Service Funds	28,832	
Depreciation Expense - Governmental Funds	(2,787,446)	
Depreciation Expense - Internal Service Funds	<u>(19,012)</u>	
		816,513

Governmental funds only report the disposal of assets to the
 extent proceeds are received from the sale. In the statement
 of activities, a gain or loss is reported for each disposal. The
 amount of the proceeds must be removed and the gain or loss
 on the disposal of capital assets must be recognized. This is the
 amount of the difference between the proceeds and the gain or loss. (82,221)

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

Income Taxes	657,116	
Delinquent Property Taxes	(4,655)	
Intergovernmental	84,468	
Other	<u>58,268</u>	
		795,197

Repayment of bond, note, and capital lease principal is an
 expenditure in the governmental funds, but the repayment
 reduces long-term liabilities in the statement of net assets. 1,562,422

Interest expense in the statement of activities differs from the amount
 reported in governmental funds for two reasons. Additional accrued
 interest was calculated for bonds and notes payable, and the difference
 arising from the advance refunding due to premium and bond issuance
 costs. 835

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

Change in Compensated Absences - Governmental Funds	(16,587)	
Change in Compensated Absences - Internal Service Funds	(6,269)	
Amortization of Bond Premium	28,148	
Change in Inventory	<u>(22,303)</u>	
		(17,011)

- Continued -

City of Fairborn, Ohio
 Reconciliation of the Statement of Revenues, Expenditures, and Changes
 in Fund Balance of Governmental Funds to the Statement of Activities
 For the Fiscal Year Ended December 31, 2007

The internal service fund used by management to charge back costs to individual funds is not reported in the district-wide statement of activities. Governmental fund expenditures and the related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund is allocated among the governmental activities.

Change in Net Assets - Internal Service Funds	(89,615)	
Capital asset additions - Internal Service Funds	(28,832)	
Depreciation Expense - Internal Service Funds	19,012	
Change in Compensated Absences - Internal Service Funds	6,269	
Change in portion of Internal Service Fund Net Assets allocated to Business-Type Activities	<u>19,947</u>	(73,219)
Proceeds from debt issues are an other financing source in the funds, but a debt issue increases long-term liabilities in the statement of net assets.		<u>(465,000)</u>
Change in Net Assets of Governmental Activities		<u><u>\$2,565,442</u></u>

See accompanying notes to the basic financial statements.

City of Fairborn, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2007

	General Fund			Variance from Final Budget
	Original Budget	Final Budget	Actual	
Revenues:				
Taxes	\$9,551,421	\$9,570,820	\$9,442,280	(\$128,540)
Fines, Licenses & Permits	1,298,570	1,298,570	1,477,681	179,111
Intergovernmental	1,975,175	1,994,239	2,112,411	118,172
Charges for Services	2,810,117	2,810,117	2,656,130	(153,987)
Investment Earnings	375,000	375,000	568,812	193,812
Other Revenues	275,470	275,470	114,080	(161,390)
Total Revenues	16,285,753	16,324,216	16,371,394	47,178
Expenditures:				
Current:				
General Government:				
City Council				
Personnel Services	47,280	57,980	57,787	193
Contractual Services	64,577	68,777	67,662	1,115
Commodities	9,306	9,306	9,272	34
Municipal Court				
Personnel Services	1,469,531	1,434,531	1,424,596	9,935
Contractual Services	246,280	268,280	263,769	4,511
Commodities	25,354	27,654	27,542	112
Jail Diversion Grant				
Personnel Services	39,875	40,675	39,299	1,376
Contractual Services	2,340	1,718	0	1,718
City Manager's Office				
Personnel Services	340,289	222,361	209,103	13,258
Contractual Services	24,281	38,108	36,689	1,419
Commodities	6,132	6,132	4,864	1,268
Administration and General Accounting				
Personnel Services	450,581	413,581	398,141	15,440
Contractual Services	105,354	113,654	109,906	3,748
Commodities	3,572	3,572	3,524	48
Utilities Accounting				
Personnel Services	197,593	209,417	205,306	4,111
Contractual Services	81,720	77,896	77,989	(93)
Commodities	2,022	3,322	2,776	546
City Income Tax Accounting				
Personnel Services	268,172	238,295	222,448	15,847
Contractual Services	40,332	34,793	25,394	9,399
Commodities	2,573	2,573	1,976	597
Legal Department				
Personnel Services	166,187	162,187	160,122	2,065
Contractual Services	86,800	62,800	65,616	(2,816)
Commodities	4,530	4,530	3,490	1,040
Personnel Department				
Personnel Services	75,846	78,846	77,516	1,330
Contractual Services	30,153	37,653	31,816	5,837
Commodities	8,018	8,018	7,262	756
Engineering and Drafting				
Personnel Services	459,991	459,991	446,818	13,173
Contractual Services	54,220	54,220	51,978	2,242
Commodities	17,226	17,226	17,625	(399)

- Continued -

City of Fairborn, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2007

	General Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Plant Maintenance				
Personnel Services	407,031	403,031	354,888	48,143
Contractual Services	108,220	108,220	98,520	9,700
Commodities	55,456	55,456	51,350	4,106
Contingency				
Personnel Services	0	183,789	183,789	0
Contractual Services	927,593	702,677	697,787	4,890
Commodities	0	0	3,079	(3,079)
City Income Tax Collection				
Contractual Services	299,094	297,656	288,474	9,182
Public Safety:				
Police Administrative Services				
Personnel Services	462,519	462,519	442,817	19,702
Contractual Services	209,600	209,600	192,260	17,340
Commodities	36,038	36,038	35,174	864
Police Dispatch				
Personnel Services	807,328	807,328	793,670	13,658
Contractual Services	77,759	77,759	71,626	6,133
Commodities	7,935	7,935	7,677	258
Police Detective Section				
Personnel Services	771,833	781,833	777,169	4,664
Contractual Services	7,380	7,380	5,594	1,786
Commodities	31,397	31,397	28,085	3,312
Police Patrol Section				
Personnel Services	2,990,272	2,890,272	2,841,716	48,556
Contractual Services	11,295	11,295	9,691	1,604
Commodities	159,085	159,085	155,654	3,431
Police Animal Control				
Contractual Services	81,986	86,558	86,302	256
D.A.R.E.				
Personnel Services	100,428	102,348	99,218	3,130
Contractual Services	2,028	105	100	5
Commodities	950	950	950	0
Community Development:				
Community Development Urban Planner				
Personnel Services	224,749	233,749	230,593	3,156
Contractual Services	45,636	45,636	41,005	4,631
Commodities	1,570	1,570	1,273	297
Building Inspection and Zoning Enforcement				
Personnel Services	367,427	375,276	367,436	7,840
Contractual Services	41,299	45,599	43,686	1,913
Commodities	10,752	10,752	9,212	1,540
Leisure Time Activities:				
Parks and Recreation				
Personnel Services	105,141	114,141	112,758	1,383
Contractual Services	72,954	67,954	64,494	3,460
Commodities	37,691	37,691	27,507	10,184
Capital Outlay	222,872	193,606	182,312	11,294
Total Expenditures	13,015,453	12,707,301	12,356,152	351,149
Excess of Revenues Over (Under) Expenditures	3,270,300	3,616,915	4,015,242	398,327

- Continued -

City of Fairborn, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2007

	General Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Other Financing Sources (Uses):				
Proceeds from Sale of Capital Assets	10,000	10,000	228	(9,772)
Issuance of Long-Term Capital-Related Debt	0	10,380	10,880	500
Advances In	39,963	39,963	39,963	0
Transfers (Out)	(4,116,757)	(4,257,592)	(4,029,891)	227,701
Total Other Financing Sources (Uses)	(4,066,794)	(4,197,249)	(3,978,820)	218,429
Net Change in Fund Balance	(796,494)	(580,334)	36,422	616,756
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	4,474,224	4,474,224	4,474,224	0
Fund Balance End of Year	\$3,677,730	\$3,893,890	\$4,510,646	\$616,756

See accompanying notes to the basic financial statements.

City of Fairborn, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2007

	Fire and EMS Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Taxes	\$414,303	\$411,500	\$399,626	(\$11,874)
Fines, Licenses & Permits	250	250	1,450	1,200
Intergovernmental	631,000	628,500	677,518	49,018
Charges for Services	1,156,124	1,156,124	1,159,627	3,503
Other Revenues	105,855	105,855	29,321	(76,534)
Total Revenues	2,307,532	2,302,229	2,267,542	(34,687)
Expenditures:				
Current:				
Public Safety:				
Fire Administrative Services				
Personnel Services	315,192	398,302	391,657	6,645
Contractual Services	365,229	282,206	273,972	8,234
Commodities	18,634	18,634	23,300	(4,666)
Fire Life Safety				
Personnel Services	121,893	125,893	125,541	352
Contractual Services	1,180	1,180	0	1,180
Commodities	4,456	4,956	4,822	134
Fire Operations				
Personnel Services	4,558,765	4,488,765	4,420,168	68,597
Contractual Services	34,638	34,638	30,475	4,163
Commodities	191,139	191,139	181,106	10,033
Training				
Personnel Services	236,389	236,389	230,838	5,551
Contractual Services	12,700	12,700	8,520	4,180
Commodities	5,508	5,508	6,994	(1,486)
Total Expenditures	5,865,723	5,800,310	5,697,393	102,917
Excess of Revenues Over (Under) Expenditures	(3,558,191)	(3,498,081)	(3,429,851)	68,230
Other Financing Sources (Uses):				
Transfers In	3,498,256	3,278,256	3,069,702	(208,554)
Total Other Financing Sources (Uses)	3,498,256	3,278,256	3,069,702	(208,554)
Net Change in Fund Balance	(59,935)	(219,825)	(360,149)	(140,324)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	360,151	360,151	360,151	0
Fund Balance End of Year	\$300,216	\$140,326	\$2	(\$140,324)

See accompanying notes to the basic financial statements.

City of Fairborn, Ohio
Statement of Net Assets
Proprietary Funds
December 31, 2007

	Business-Type Activities -Enterprise Funds				Governmental Activities- Internal Service Fund
	Water	Sewer	Sanitation	Total Business-Type Activities	
Assets:					
Equity in Pooled Cash and Investments	\$2,629,250	\$4,239,478	\$805,296	\$7,674,024	\$543,305
Restricted Cash and Investments - Current	59,828	59,828	59,828	179,484	0
Receivables:					
Accounts	262,427	393,225	187,796	843,448	74,287
Interest	6,317	2,295	0	8,612	118
Due from Other Funds	0	0	0	0	23,982
Prepaid Items	4,555	6,425	0	10,980	978
Inventory	123,624	54,921	0	178,545	109,415
Total Current Assets	3,086,001	4,756,172	1,052,920	8,895,093	752,085
Nondepreciable Capital Assets	958,843	610,634	0	1,569,477	28,832
Depreciable Capital Assets, Net	7,196,085	15,443,402	293,599	22,933,086	155,589
Total Noncurrent Assets	8,154,928	16,054,036	293,599	24,502,563	184,421
Total Assets	11,240,929	20,810,208	1,346,519	33,397,656	936,506
Liabilities:					
Current Liabilities:					
Accounts Payable	17,463	57,235	394,212	468,910	64,834
Accrued Wages and Benefits	66,936	101,908	4,649	173,493	51,806
Refundable Deposits	59,829	59,829	59,829	179,487	0
Accrued Interest Payable	65,485	106,192	0	171,677	0
Contingent Liabilities	0	217,500	0	217,500	0
Contracts Payable	220,636	3,572	0	224,208	0
Due to Other Funds	1,829	1,101	642	3,572	301
General Obligation Notes Payable	2,522,000	4,078,000	0	6,600,000	0
Long-Term Liabilities Due Within One Year	389,860	936,365	38,873	1,365,098	39,312
Total Current Liabilities	3,344,038	5,561,702	498,205	9,403,945	156,253
Long-Term Liabilities:					
Compensated Absences	42,563	25,203	5	67,771	19,677
Bonds, Notes & Loans Payable	2,082,162	4,664,806	0	6,746,968	0
Landfill Postclosure Care Liability	0	0	386,320	386,320	0
Total Noncurrent Liabilities	2,124,725	4,690,009	386,325	7,201,059	19,677
Total Liabilities	5,468,763	10,251,711	884,530	16,605,004	175,930
Net Assets:					
Invested in Capital Assets, Net of Related Debt	3,197,891	6,436,859	293,599	9,928,349	184,421
Unrestricted	2,574,275	4,121,638	168,390	6,864,303	576,155
Total Net Assets	\$5,772,166	\$10,558,497	\$461,989	\$16,792,652	\$760,576
Adjustment to reflect the consolidation of Internal Service Fund activities related to Business-Type Activities				\$154,737	
Net Assets of Business-Type Activities				\$16,947,389	

See accompanying notes to the basic financial statements.

City of Fairborn, Ohio
Statement of Revenues, Expenses
and Changes in Fund Net Assets
Proprietary Funds
For the Fiscal Year Ended December 31, 2007

	Business-Type Activities -Enterprise Funds				Governmental Activities- Internal Service Fund
	Water	Sewer	Sanitation	Total Business-Type Activities	
Operating Revenues:					
Fines, Licenses & Permits	\$0	\$0	\$0	\$0	\$409,973
Charges for Services	2,975,569	4,944,647	2,246,696	10,166,912	1,173,265
Other Revenues	74,036	1,043	1,392	76,471	1,334
Total Operating Revenues	3,049,605	4,945,690	2,248,088	10,243,383	1,584,572
Operating Expenses:					
Personal Services	991,338	1,414,299	61,139	2,466,776	752,389
Contractual Services	1,196,978	1,531,050	2,335,483	5,063,511	197,908
Materials and Supplies	140,114	243,855	23,778	407,747	746,867
Depreciation	757,538	918,776	33,307	1,709,621	19,012
Total Operating Expenses	3,085,968	4,107,980	2,453,707	9,647,655	1,716,176
Operating Income (Loss)	(36,363)	837,710	(205,619)	595,728	(131,604)
Non-Operating Revenues (Expenses):					
Investment Earnings	100,979	158,207	0	259,186	21,604
Interest (Expense)	(186,010)	(406,787)	0	(592,797)	0
Gain (Loss) on Disposal of Capital Assets	2,826	0	(69,709)	(66,883)	1,570
Total Non-Operating Revenues (Expenses)	(82,205)	(248,580)	(69,709)	(400,494)	23,174
Income (Loss) Before Contributions and Transfers	(118,568)	589,130	(275,328)	195,234	(108,430)
Capital Grants and Contributions	0	0	0	0	18,815
Transfers In	0	11,212	0	11,212	0
Change in Net Assets	(118,568)	600,342	(275,328)	206,446	(89,615)
Net Assets Beginning of Year, Restated	5,890,734	9,958,155	737,317	16,586,206	850,191
Net Assets End of Year	\$5,772,166	\$10,558,497	\$461,989	\$16,792,652	\$760,576
Adjustment to reflect the consolidation of Internal Service Fund activities related to Business-Type Activities				(19,947)	
Change in Net Assets - Total Business-Type Activities:				\$186,499	

See accompanying notes to the basic financial statements.

City of Fairborn, Ohio
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended December 31, 2007

	Business-Type Activities -Enterprise Funds				Governmental
	Water	Sewer	Sanitation	Total Business-Type Activities	Activities- Internal Service Fund
Cash Flows from Operating Activities:					
Cash Received from Customers	\$3,038,448	\$4,938,045	\$2,231,432	\$10,207,925	\$1,528,123
Cash Deposits Received	27,570	27,570	27,570	82,710	0
Cash Payments to Employees	(985,586)	(1,373,805)	(60,250)	(2,419,641)	(733,768)
Cash Payments to Suppliers	(1,124,069)	(1,783,152)	(1,996,214)	(4,903,435)	(946,722)
Cash Deposits Returned	(26,495)	(26,495)	(26,495)	(79,485)	0
Net Cash Provided (Used) by Operating Activities	929,868	1,782,163	176,043	2,888,074	(152,367)
Cash Flows from Capital and Related Financing Activities:					
Payments for Capital Acquisitions	(982,507)	(1,860,670)	(167,395)	(3,010,572)	(28,832)
Debt Proceeds	2,522,000	4,078,000	0	6,600,000	0
Debt Principal Payments	(1,843,485)	(3,232,703)	0	(5,076,188)	0
Debt Interest Payments	(170,005)	(367,033)	0	(537,038)	0
Proceeds from the Sale of Captial Assets	2,826	0	0	2,826	1,570
Net Cash Provided (Used) by Capital and Related Financing Activities	(471,171)	(1,382,406)	(167,395)	(2,020,972)	(27,262)
Cash Flows from Investing Activities:					
Earnings on Investments	101,114	163,839	0	264,953	21,553
Net Cash Provided (Used) by Cash Flows from Investing Activities	101,114	163,839	0	264,953	21,553
Net Increase (Decrease) in Cash and Cash Equivalents	559,811	563,596	8,648	1,132,055	(158,076)
Cash and Cash Equivalents Beginning of Year	2,129,267	3,735,710	856,476	6,721,453	701,381
Cash and Cash Equivalents End of Year	2,689,078	4,299,306	865,124	7,853,508	543,305
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities					
Operating Income (Loss)	(36,363)	837,710	(205,619)	595,728	(131,604)
Adjustments:					
Depreciation	757,538	918,776	33,307	1,709,621	19,012
Changes in Assets & Liabilities:					
(Increase) Decrease in Receivables	(11,157)	(7,645)	(16,656)	(35,458)	(50,193)
(Increase) Decrease in Inventory	(1,022)	14,533	0	13,511	(3,769)
(Increase) Decrease in Due From Other Funds	0	0	0	0	(5,557)
(Increase) Decrease in Prepaid Items	(1,138)	(781)	0	(1,919)	106
Increase (Decrease) in Accrued Wages and Benefits	9,731	20,993	817	31,541	12,352
Increase (Decrease) in Compensated Absences	(3,979)	19,501	72	15,594	6,269
Increase (Decrease) in Due to Other Funds	516	(22)	97	591	134
Increase (Decrease) in Landfill Closure Costs	0	0	182,324	182,324	0
Increase (Decrease) in Refundable Deposits Payable	1,075	1,075	1,075	3,225	0
Increase (Decrease) in Payables	214,667	10,523	180,626	405,816	883
Increase (Decrease) in Contingent Liabilities	0	(32,500)	0	(32,500)	0
Net Cash Provided (Used) by Operating Activities	\$929,868	\$1,782,163	\$176,043	\$2,888,074	(\$152,367)
Schedule of Noncash Investing, Capital and Financing Activities:					
During the fiscal year, these amounts were received representing noncash contributions of:					
Fair value of investments decreased	\$1,146	\$2,011	\$0	\$3,157	\$227

See accompanying notes to the basic financial statements.

City of Fairborn, Ohio
Statement of Fiduciary Net Assets
Fiduciary Fund
December 31, 2007

	<u>Agency</u>
Assets:	
Equity in Pooled Cash and Investments	<u>\$427,129</u>
Total Assets	<u><u>\$427,129</u></u>
Liabilities:	
Undistributed Monies	<u>427,129</u>
Total Liabilities	<u><u>\$427,129</u></u>

See accompanying notes to the basic financial statements.



CITY OF FAIRBORN

Notes to the Basic Financial Statements
For the Year Ended December 31, 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Fairborn (the "City") is a home rule municipal corporation created under the laws of the State of Ohio which operates under its own charter. Charter was first adopted by the electors of the Village of Osborn at the general election held in November 1946, effective January 1, 1948. In the November 1948 election, the Village of Osborn voted to annex the Village of Fairfield and to name the newly created entity the Village of Fairborn, effective January 1, 1950. The Village of Fairborn became a city on August 20, 1951. The current charter was first adopted by the electorate on November 2, 1971.

The municipal government provided by the charter is known as a Council-Manager form of government. Elected officials include six City Council members and a mayor. The Council appoints a City Manager who executes the laws and administers the government of the City. The City Manager appoints all of the department managers of the City.

The accompanying basic financial statements of the City present the financial position of the various fund types, the results of operations of the various fund types, and the cash flows of the proprietary funds. The financial statements are presented as of December 31, 2007 and for the year then ended and have been prepared in conformity with generally accepted accounting principles (GAAP) applicable to local governments. The Governmental Accounting Standards Board (GASB) is the standard-setting body for establishing governmental accounting and financial reporting principles, which are primarily set forth in the GASB's Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification).

A. Reporting Entity

The accompanying basic financial statements comply with the provisions of GASB Statement No. 14/39, *"The Financial Reporting Entity,"* in that the financial statements include all organizations, activities, functions and component units for which the City (the primary government) is financially accountable. Financial accountability is defined as the appointment of a voting majority of a legally separate organization's governing body and either (1) the City's ability to impose its will over the organization or (2) the potential that the organization will provide a financial benefit to or impose a financial burden on the City.

Based on the foregoing, the City's financial reporting entity has no component units but includes all funds, agencies, boards and commissions that are part of the primary government, which includes the following services: police and fire protection, emergency medical response, parks and recreation, planning, zoning, street maintenance, cemetery and other governmental services. The City also operates a municipal garage which is reported as an internal service fund. In addition, the City owns and operates the water treatment and distribution system, wastewater treatment and collection system and a solid waste collection operation which are reported as enterprise funds. Council and the City Manager have direct responsibility for these activities.

The City also participates in the Miami Valley Regional Planning Commission (the Commission), the Greene County Regional Planning and Coordination Commission (GCRPCC), the Regional Emergency Response Team (RERT), the Greene County Agencies for Combined Enforcement (ACE Task Force), and the Community Improvement Corporation of Fairborn (CIC), which are defined as jointly governed organizations. A jointly governed organization is governed by representatives from each of the governments that create the organization, but there is no ongoing financial interest or responsibility on the part of the participating governments. These organizations are presented in Note 18.

B. Basis of Presentation - Fund Accounting

The City uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain City functions or activities.

A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

For financial statement presentation purposes, the various funds of the City are grouped into the following generic fund types under the broad fund categories governmental, proprietary and fiduciary.

Governmental Funds - are those through which most governmental functions typically are financed. The acquisition, use and balances of the City's expendable financial resources and the related current liabilities (except those accounted for in proprietary funds) are accounted for through governmental funds. The following are the City's major governmental funds:

General Fund - This fund is used to account 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 and EMS Fund - To account for revenue derived from the EMS and Fire related revenues.

General Bond Retirement Fund - This fund is used to account for the accumulation of resources for, and the payment of, general long-term and special assessment debt principal and interest.

Public Safety Equipment/Facility Fund - To account for revenues received from the 1/4% of 1% income tax levy, emergency response auto-collect and other revenue sources to provide funding for Fire facilities and equipment.

Tax Increment Financing Fund - To account for revenue received from payments in lieu of taxes from area businesses that are within tax increment financing districts, which are used for capital infrastructure improvements or pay for associated debt on past capital improvements within the designated area.

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

Proprietary Funds

The proprietary funds are used to account for the City's ongoing organizations and activities that are similar to those often found in the private sector. The following are the City's proprietary fund types:

Enterprise Funds - These funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that costs (expenses, including depreciation) of providing services to the general public on a continuing basis be recovered or financed primarily through user charges or where it has been decided that a periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes. The following are the City's major enterprise funds:

Water Fund - This fund is used to account for the operation of the City's water service.

Sewer Fund - This fund is used to account for the operation of the City's sanitary sewer system.

Sanitation Fund - This fund is used to account for the operation of the City's refuse collection system.

Internal Service Funds - The City's internal service funds are used to account for the financing of equipment maintenance and repair (Equipment Fund), information technology costs (Information Technology Fund) and payment of employee assistance programs excluding employee healthcare costs (Employee Assistance Program Fund). The internal service funds provide goods and services to other departments of the City on a cost-reimbursement basis.

Fiduciary Funds

Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Fiduciary funds are used to account for assets the City holds in a trustee capacity or as an agent for individuals, private organizations, other governments, and other funds. The only fiduciary fund of the City is an agency fund (Municipal Court Fund), which is used to account for monies that flow through the clerk of courts' office. Agency funds are purely custodial (assets equal liabilities) and thus do not involve measurement of results of operations.

C. Basis of Presentation - Financial Statements

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, except for fiduciary funds. The statements distinguish between those activities of the City that are governmental and those that are considered business-type activities.

The government-wide statements are prepared using the economic resources measurement focus. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund 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.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the City and for each function or program of the City's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore are clearly identifiable to a particular function. Charges to governmental functions for centralized services are a component designed to recover administrative (overhead) costs, which are indirect costs. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the City, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the City.

Fund Financial Statements - Fund financial statements report detailed information about the City. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by fund type.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus. The financial statements for governmental funds are a balance sheet, which generally includes only current assets and current liabilities, and a statement of revenues, expenditures and changes in fund balances, which reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

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

D. Basis of Accounting

Basis of accounting represents the methodology utilized in the recognition of revenues and expenditures or expenses in the accounts and reported in the financial statements and relates to the timing of the measurements made. The accounting and reporting treatment applied to a fund is determined by its measurement focus.

The modified accrual basis of accounting is followed by the governmental funds. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. Measurable means the amount of the transaction can be determined. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period, which for the City is considered to be 60 days after year end. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt, which is recognized when due.

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements and donations. Revenue from income taxes is recognized in the period in which the income is earned and is available. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied and the revenue is available. 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 specific purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis.

Revenue considered susceptible to accrual at year-end includes income taxes withheld by employers, interest on investments, and state levied locally shared taxes (including motor vehicle license fees, gasoline tax, and local government assistance). Other revenue, including licenses, permits, certain charges for services, income taxes other than those withheld by employers and miscellaneous revenue, is recorded as revenue when received in cash because it is generally not measurable until actually received.

Special assessment installments, including related accrued interest, which are measurable but not available at December 31st are recorded as deferred revenue. Property taxes measurable as of December 31, 2007 but which are not intended to finance 2007 operations and delinquent property taxes, whose availability is indeterminate, are recorded as deferred revenue as further described in Note 3.

The accrual basis of accounting is utilized for reporting purposes by the proprietary and fiduciary funds. Revenues are recognized when they are earned and expenses are recognized when they are incurred.

Pursuant to GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting*, the City follows GASB guidance as applicable to enterprise funds and FASB Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins issued on or before November 30, 1989 that do not conflict with or contradict GASB pronouncements. The City has elected not to apply FASB statements and interpretations issued after November 30, 1989 to its business-type activities and enterprise funds.

E. Budgetary Process

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources and the appropriation ordinance, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriations ordinance are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified.

All funds, other than agency funds, are legally required to be budgeted and appropriated; however, only governmental funds are required to be reported. The legal level of budgetary control is by fund, department, line item. Budgetary control is maintained by not permitting expenditures to exceed appropriations in line items within each department and fund. Administrative control is maintained through the establishment of more detailed line-item budgets. Budgetary modifications above the line item level by department and fund may only be made by ordinance of the City Council. During 2007, all appropriations were approved as required.

1. Tax Budget

The City Manager submits an annual tax budget by July 15, for the subsequent fiscal year to City Council for consideration and passage. The adopted budget is submitted to the County Auditor, as secretary of the County Budget Commission, by July 20th of each year, for the period January 1 to December 31 of the following year.

2. Estimated Resources

The County Budget Commission determines if the budget substantiates a need to levy all or part of previously authorized taxes and reviews estimated revenue. The commission certifies its actions to the City by September 1. As part of this certification, the City receives the official certificate of estimated resources which states the projected revenue of each fund. Prior to December 31, the City must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year will not exceed the amount available as stated in the certificate of estimated resources.

The revised budget then serves as the basis for the annual appropriation ordinance. On or about January 1, the certificate of estimated resources is amended to include unencumbered fund balances at December 31 of the preceding year. The certificate may be further amended during the year if a new source of revenue is identified or actual receipts exceed or fall short of current estimates. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amount on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the final certificate requested during 2007.

3. Appropriations

A temporary appropriation measure to control expenditures may be passed on or about January 1 of each year for the period from January 1 to March 31. The annual appropriation ordinance must be passed by April 1 of each year for the period January 1 to December 31. The appropriation ordinance fixes spending authority at the fund, department and line item level. The appropriation ordinance may be amended during the year as new information becomes available, provided that total fund appropriations do not exceed current estimated resources, as certified by the County Budget Commission. The City Manager is authorized to transfer appropriations within line items within the same department, within the same fund provided total appropriations for each line item do not exceed the amount approved by City Council. All other modifications may only be made by ordinance of City Council. During the year supplemental appropriation measures were passed. The amounts reported as the original budgeted amounts reflected the first appropriations resolution for that fund that covered the entire year. Prior year encumbrances are automatically carried forward. The amounts reported as final budgeted amounts represent the final appropriations including all amendments and modifications.

4. Encumbrances

As part of formal budgetary control, purchase orders, contracts and other commitments for expenditures are encumbered and recorded as the equivalent of expenditures (non-GAAP budgetary basis) in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. The Ohio Revised Code prohibits expenditures plus encumbrances from exceeding appropriations. However, on the GAAP basis of accounting, encumbrances do not constitute expenditures or liabilities and are reported as reservations of fund balances for governmental funds in the accompanying general purpose financial statements.

5. Lapsing of Appropriations

At the close of each year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. The encumbered appropriation balance is carried forward to the succeeding calendar year and need not be reappropriated.

6. Budgetary Basis of Accounting

The City's budgetary process accounts for certain transactions on a basis other than generally accepted accounting principles (GAAP). The major differences between the budgetary basis and the GAAP basis lie in the manner in which revenues and expenditures are recorded. Under the budgetary basis, revenues and expenditures are recognized on the cash basis. Utilizing the cash basis, revenues are recorded when received in cash and expenditures when paid. Under the GAAP basis, revenues and expenditures are recorded on the modified accrual basis of accounting.

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the "Statement of Revenues, Expenditures, and Changes in Fund Balances-Budget and Actual" for the General Fund and Fire and EMS Fund:

	Net Change in Fund Balance	
	<u>General Fund</u>	<u>Fire and EMS</u>
GAAP Basis	\$264,263	(\$393,289)
Revenue Accruals	(348,020)	(60,211)
Expenditure Accruals	166,848	98,470
Advances In	39,963	0
Encumbrances	(86,632)	(5,119)
Budgetary Basis	<u>\$36,422</u>	<u>(\$360,149)</u>

F. Equity in Pooled Cash and Investments

To improve cash management the City's cash and investments are pooled. Monies for all funds, except cash and investments held in segregated accounts, are maintained in this pool. Individual fund integrity is maintained through City records. Each fund's interest in the pool is presented as "Equity in Pooled Cash and Investments" on the balance sheet.

During the year, the City invested in STAROhio, an investment pool managed by the State Treasurer's Office. STAROhio which allows governments within the State to pool their funds for investment purposes. STAROhio 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 STAROhio are valued at STAROhio's share price, which is the price the investment could be sold for on December 31, 2007.

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.

For purposes of the statement of cash flows and for presentation on the statement of net assets/balance sheet, all investments of the cash management pool are considered to be cash equivalents.

Following the Ohio Revised Code, the City has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenues during 2007 amounted to \$1,307,713. The general fund interest revenue was \$681,893, which includes \$457,752 assigned from other City funds.

G. Inventory of Supplies

Inventories of governmental funds are stated at cost while inventories of proprietary funds are stated at cost or market whichever is lower. For all funds, cost is determined on a first-in, first-out basis. The costs of inventory items are recorded as expenditures in the governmental fund types when purchased and as expenses in the proprietary fund types when used. Reported supplies inventory is equally offset by a fund balance reserve in the governmental funds, which indicates that it does not constitute available spendable resources.

H. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2007, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed.

I. Restricted Assets

Restricted assets in the enterprise funds represent equity in pooled cash and investments set aside for the repayment of deposits to water, sewer and sanitation customers.

J. Capital Assets and Depreciation

Capital assets are defined by the City as assets with an initial, individual cost of \$5,000 or more.

1. Property, Plant and Equipment - Governmental Activities

Governmental activities capital assets are those not directly related to the business type funds. These generally are acquired or constructed for governmental activities and are recorded as expenditures in the governmental funds and are capitalized at cost (or estimated historical cost for assets not purchased in recent years). These assets are reported in the Governmental Activities column of the Government-wide Statement of Net Assets, but they are not reported in the Fund Financial Statements.

Contributed capital assets are recorded at fair market value at the date received. Capital assets include land, improvements to land, buildings, building improvements, machinery, equipment and infrastructure. Infrastructure is defined as long-lived capital assets that normally are stationary in nature and normally can be preserved for a significant number of years. Examples of infrastructure include roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems. Estimated historical costs for infrastructure includes assets acquired through fiscal years ended June 30, 1980. Estimated historical costs for governmental activities capital asset values were initially determined at December 31, 1985 by identifying historical costs when such information was available. In cases where information supporting original cost was not obtainable, estimated historical costs were developed. For certain capital assets, the estimates were arrived at by indexing estimated current costs back to the estimated year of acquisition.

2. Property, Plant and Equipment - Business Type Activities

Property, plant and equipment acquired by the proprietary funds are stated at cost (or estimated historical cost), including architectural and engineering fees where applicable. Contributed capital assets are recorded at fair market value at the date received. These assets are reported in both the Business-Type Activities column of the Government-wide Statement of Net Assets and in the respective funds.

3. Depreciation

All capital assets are depreciated, excluding land and construction in progress. Depreciation has been provided using the straight-line method over the following estimated useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Buildings and Improvements	20-45 years
Improvements Other Than Buildings	10-20 years
Machinery and Equipment	5-15 years
Vehicles	6-20 years
Infrastructure	8-100 years

K. Compensated Absences

In accordance with GASB Statement No. 16, *"Accounting for compensated Absences,"* vacation 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 employer will compensate the employees for the benefits through paid time off or some other means. Sick leave benefits are accrued using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those the City has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employees' wage rates at year end, taking into consideration any limits specified in the City's termination policy.

The criteria for determining the vacation, compensatory time and sick leave liability are derived from negotiated agreements and state laws. City employees earn vacation leave at varying rates based upon length of service. Accumulated, unused vacation time is paid to employees upon termination of employment. Sick leave benefits are earned at varying rates based on job classification. Upon retirement employees are paid for any unused accumulated sick leave up to various limits depending upon the union agreement that applies.

For governmental fund financial statements, compensated absences are recognized as a liability and expenditure to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the fund from which the employees who have accumulated leave are paid. The noncurrent portion of the liability is not recorded. In the government wide statement of net assets, "Compensated Absences Payable" is recorded within the "Due within one year" account and the long-term portion of the liability is recorded within the "Due in more than one year" account. Compensated absences are expensed in the proprietary funds when earned and the related liability is reported within the fund.

L. Accrued Liabilities and Long-Term Debt

In general, governmental fund payables and accrued liabilities are reported as obligations of the funds regardless of whether they will be liquidated with current resources. However, claims and judgments, compensated absences, contractually required pension contributions, special termination benefits and landfill postclosure costs are reported in the government wide statement of net assets as a liability to the extent that they will not be paid with current expendable available financial resources. Such liabilities are reported in the government wide statement of net assets in the "Due within one year" account and the "Due in more than one year" account. Payments made more than 60 days after year end are generally considered not to have been paid with current available financial resources.

Bonds are recognized as a liability in the government wide statement of net assets. Long-term debt and other obligations to be paid from proprietary funds are reported in those funds.

Long-term liabilities are being repaid from the following funds:

<u>Obligation</u>	<u>Fund</u>
General Obligation Bonds	General Bond Retirement Fund General Capital Improvement Fund Buildings and Land Fund Water Fund Sewer Fund
Special Assessment Bonds	General Bond Retirement Fund
Income Tax Revenue Bonds	Public Safety Equipment / Facility Fund
Compensated Absences	Paid from the fund(s) from which the employee's salary is paid.
Ohio Water Development Authority Loans	Sewer Fund
Ohio Public Works Commission Loan	Water Fund
Capital Leases	General and Sewer Fund Court Special Projects
Landfill Post Closure	Sanitation Fund

M. 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 of 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. Of the City's \$7,524,444 in restricted net assets, \$0 was restricted by enabling legislation.

N. Reservations of Fund Balance

Reservations of fund balances are established to identify the existence of assets that, because of their non-monetary nature or lack of liquidity, represent financial resources not available for current appropriation or expenditure, or the portion of fund balance that is legally segregated for a specific future use. Fund balances are reserved for inventory, prepaid items, and encumbrances amounts that have not been accrued at year-end.

O. Intergovernmental Revenues

In governmental funds, grants awarded on a non-reimbursement basis, entitlements and shared revenues are recorded as intergovernmental receivables and revenues when measurable and available. Reimbursable grants are recorded as intergovernmental receivables and revenues when the related expenditures are made.

Grants received for proprietary fund operations are recognized as revenues when measurable and earned. Such resources restricted for the construction of capital assets are recorded as contributed capital.

P. Interfund Receivables/Payables

Receivables and payables resulting from transactions between funds for services provided or goods received are classified as "Due from Other Funds" or "Due to Other Funds" on the balance sheet. Short-term interfund loans are classified as "Interfund Receivables/Payables."

Noncurrent portions of long-term interfund loan receivables are reported as advances and are offset equally in Governmental funds by a fund balance reserve account which indicates that they do not constitute expendable available financial resources and therefore are not available for appropriation.

Q. Interfund Activity

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures 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. Repayments from funds responsible for particular expenditures to the funds that initially paid for them are not presented on the financial statements. On the government-wide statement of activities, all interfund services provided and used of the internal service fund are not eliminated in the process of consolidation.

In order to avoid distorting the measurement of the cost of individual functional activities, entries are made to eliminate the activity provided by the internal service funds to those funds considered governmental and those considered business-type. The elimination of the internal service funds is based on the activity of each fund to which it provides service.

R. 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.

S. Operating Revenues and Expenses

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the fund. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

T. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the City Council and that are either unusual in nature or infrequent in occurrence. During 2007, the City did not report either an extraordinary item or a special item.

NOTE 2 - EQUITY IN POOLED CASH AND INVESTMENTS

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

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

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

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

Interim Monies – Those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Ohio law permits interim monies to be invested or deposited in the following securities:

- (1) Bonds, notes, or other obligations of or guaranteed by the United States, or those for which the faith of the United States is pledged for the payment of principal and interest.
- (2) Bonds, notes, debentures, or other obligations or securities issued by any federal governmental agency.

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

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

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

Deposits

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City's policy for deposits is any balance not covered by depository insurance will be collateralized by the financial institutions with pledged securities. As of December 31, 2007, \$2,913,240 of the City's bank balance of \$3,313,240 was exposed to custodial risk because it was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the City's name.

Ohio Revised Code Chapter 135, Uniform Depository Act, authorizes pledging of pooled securities in lieu of specific securities. Specifically, a designated public depository may pledge a single pool of eligible securities to secure repayment of all public monies deposited in the financial institution, provided that at all times the total market value of the securities so pledged is at least equal to 105% of the total amount of all public deposits secured by the pool, that are not covered by any federal deposit insurance.

Investments

As of December 31, 2007, the City had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Years)</u>
STAR Ohio	\$5,591,110	0.11
City's Long-Term Debt held by the City	12,411	0.92
Treasury Obligation Fund	193,188	0.00
Federal Home Loan Mortgage Corporation	1,964,507	2.93
Federal Home Loan Bank	8,045,006	3.69
Federal Farm Credit Bank	501,875	4.84
Total Fair Value	<u>\$16,308,097</u>	
Portfolio Weighted Average Maturity		2.31

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

Credit Risk – It is the City's policy to limit its investments that are not obligations of the U.S. Government or obligations explicitly guaranteed by the U.S. Government to investments which have the highest credit quality rating issued by nationally recognized statistical rating organizations. The City's investments in Treasury Obligation Fund, Federal Home Loan Mortgage Corporation, Federal Home Loan Bank, and Federal Farm Credit Bank were rated AAA by Standard and Poor's and Fitch ratings and Aaa by Moody's Investors Service. Investments in STAR Ohio were rated AAAM by Standard & Poor's. The City's Long-Term Debt held by the City is not rated.

Concentration of credit risk – The City's investment policy allows investments in Federal Government Securities or Instrumentalities. The City has invested 34% of the City's investments in STAR Ohio, less than 1% in the City's Long-Term Debt held by the City, 1% in Treasury Obligation Funds, 12% in Federal Home Loan Mortgage Corporation, 49% in Federal Home Loan Bank, and 3% in Federal Farm Credit Bank.

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

NOTE 3 – TAXES

A. Property Taxes

Property taxes include amounts levied against all real, public utility and tangible personal property located in the City. Taxes collected from real property taxes (other than public utility) in one calendar year are levied in the preceding calendar year on the assessed value as of January 1 of that preceding year, the lien date. Assessed values are established by State law at 35 percent of appraised market value. All property is required to be revalued every six years. The last revaluation was completed in 2007. Real property taxes are payable annually or semi-annually. The first payment is due December 31, with the remainder payable by June 20 unless extended.

Taxes collected on tangible personal property (other than public utility) in one calendar year are levied in the prior calendar year on assessed values listed on December 31 of the prior year, and at tax rates determined in the preceding year. Tangible personal property used in business (except for public utilities) is currently assessed for ad valorem taxation purposes at 25 percent of its true value. Amounts 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 semiannually, the first payment is due April 30 with the remainder payable by September 20.

Public utility real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the year proceeding the tax collection year, the lien date. Certain public utility tangible personal property currently is assessed at 88 percent of its true value; public utility real property is assessed at 35 percent of true value. Public utility property taxes are payable on the same dates as real property taxes described previously.

The tangible personal property tax will phase out over a four-year period starting with tax year 2006 and ending with no tax due in 2009. This phase-out applies to most businesses and includes furniture and fixtures, machinery and equipment and inventory. New manufacturing machinery and equipment first reportable on the 2006 and subsequent year returns is not subject to this personal property tax.

The County Treasurer collects property taxes on behalf of all taxing districts in the County, including the City of Fairborn. The County Auditor periodically remits to the City its portion of the taxes collected. The full tax rate for all City operations for the year ended December 31, 2007, was \$9.50 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which the 2006 property tax levy, collected in 2007, were based are as follows:

Real Property Assessed Valuation	\$506,398,990
Public Utility Real Property Assessed Valuation	12,989,310
Tangible Personal Property Assessed Valuation	19,626,089
Exemptions	<u>146,038,590</u>
Total Valuation	<u>\$685,052,979</u>

Property taxes receivable represent real and tangible personal property taxes, public utility taxes and outstanding delinquencies, which are measurable as of December 31, 2007. Although total property tax collections for the next fiscal year are measurable, amounts to be received during the available period are not subject to reasonable estimation at December 31, nor are they intended to finance 2008 operations. The receivable is therefore offset by a credit to deferred revenue.

B. Income Tax

The City levies a municipal income tax of one and a half percent 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 percent of the City's current tax rate.

Employers within the City are required to withhold income tax on employee compensation and remit the tax to the City either monthly or 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, general fund operations, capital improvements, debt service and other governmental functions when needed, as determined by City Council. In 2007, the proceeds of the City's 1% income tax collections were allocated to the General Fund. However, of the 1/2% effective January 1, 2005, 1/4% is for Fire Equipment and Facilities and 1/4% is for Thoroughfare and Residential Street Improvements and was therefore allocated to their respective capital project funds.

NOTE 4 – RECEIVABLES

Receivables at December 31, 2007, consisted of taxes, accounts, interest on investments, intergovernmental receivables arising from grants and entitlements and shared revenues, special assessments and interfund receivables. All receivables are considered fully collectible.

NOTE 5 - CAPITAL ASSETS

A. Governmental Activities Capital Assets

Summary by category of changes in governmental activities capital assets at December 31, 2007:

	Restated Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
<i>Capital Assets, not being depreciated:</i>				
Land	\$13,131,579	\$217,275	\$0	\$13,348,854
Construction in Progress	9,093,507	1,524,648	10,475,142	143,013
<i>Capital Assets, being depreciated:</i>				
Buildings	8,914,649	10,475,142	0	19,389,791
Improvements Other Than Buildings	1,615,361	158,387	0	1,773,748
Machinery and Equipment	2,503,205	179,357	156,423	2,526,139
Vehicles	4,315,782	409,478	166,885	4,558,375
Infrastructure	63,733,476	1,226,515	121,411	64,838,580
Totals at Historical Cost	<u>103,307,559</u>	<u>14,190,802</u>	<u>10,919,861</u>	<u>106,578,500</u>
Less Accumulated Depreciation:				
Buildings	3,576,358	353,366	0	3,929,724
Improvements Other Than Buildings	1,094,217	46,484	0	1,140,701
Machinery and Equipment	1,811,165	158,256	118,379	1,851,042
Vehicles	2,277,010	374,097	148,770	2,502,337
Infrastructure	27,859,616	1,947,424	93,948	29,713,092
Total Accumulated Depreciation	<u>\$36,618,366</u>	<u>\$2,879,627</u>	<u>\$361,097</u>	<u>\$39,136,896</u>
Governmental Activities Capital Assets, Net	<u>\$66,689,193</u>	<u>\$11,311,175</u>	<u>\$10,558,764</u>	<u>\$67,441,604</u>

Depreciation expenses were charged to governmental functions as follows:

	Depreciation Expense	Transfer Accumulated Depreciation	Total
General Government	\$2,179,510	\$73,170	\$2,252,680
Public Safety	469,867	0	469,867
Leisure Time Activities	86,423	0	86,423
Community Development	31,442	0	31,442
Transportation and Street Repair	36,955	0	36,955
Public Health and Welfare	2,260	0	2,260
Total Depreciation Expense	<u>\$2,806,457</u>	<u>\$73,170</u>	<u>\$2,879,627</u>

B. Business-Type Activities Capital Assets

Summary by category of changes in business-type activities capital assets at December 31, 2007:

	<u>Restated Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Business-Type Activities				
<i>Capital Assets, not being depreciated:</i>				
Land	\$165,741	\$0	\$0	\$165,741
Construction in Progress	347,045	1,215,691	159,000	1,403,736
<i>Capital Assets, being depreciated:</i>				
Buildings	17,682,439	1,297,922	0	18,980,361
Improvements Other Than Buildings	1,785,314	0	0	1,785,314
Machinery and Equipment	5,756,716	86,999	7,182	5,836,533
Vehicles	1,027,269	206,270	222,990	1,010,549
Infrastructure	21,077,707	414,757	0	21,492,464
Totals at Historical Cost	<u>47,842,231</u>	<u>3,221,639</u>	<u>389,172</u>	<u>50,674,698</u>
Less Accumulated Depreciation:				
Buildings	6,314,430	503,840	0	6,818,270
Improvements Other Than Buildings	430,392	168,508	0	598,900
Machinery and Equipment	4,361,618	337,046	7,182	4,691,482
Vehicles	652,129	87,135	151,877	587,387
Infrastructure	12,810,540	665,556	0	13,476,096
Total Accumulated Depreciation	<u>\$24,569,109</u>	<u>\$1,762,085</u>	<u>\$159,059</u>	<u>\$26,172,135</u>
Business-Type Activities Capital Assets, Net	<u>\$23,273,122</u>	<u>\$1,459,554</u>	<u>\$230,113</u>	<u>\$24,502,563</u>

NOTE 6 - DEFINED BENEFIT PENSION PLANS

A. 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 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 or by calling 614-222-6701 or 800-222-7377, or by visiting the OPERS website at www.opers.org.

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

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the TP and CO Plans. Members of the MD Plan do not qualify for the ancillary benefits.

Plan members are required to contribute 9.5 percent of their annual covered salary to fund pension obligations. The employer pension contribution rate for the City is 13.85 percent of covered payroll. 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, 2007, 2006 and 2005 were \$987,441, \$954,292, and \$914,156 respectively. The full amount has been contributed for 2006 and 2005 and 77% has been contributed for 2007. Contributions to the member directed plan for 2007 were \$11,822 made by the City and \$8,109 made by the plan members.

B. 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 administered by the OP&F's Board of Trustees. 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 by Chapter 742 of the Ohio Revised Code. OP&F issues a publicly available financial report that includes financial information and required supplementary information. That report may be obtained by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215 - 5164, or by visiting the OP&F website at www.op-f.org.

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 19.5 percent for police and 24.0 percent for firefighters. Contributions are authorized by State statute. The City's contributions to the OP&F for the years ending December 31, 2007, 2006 and 2005 were \$560,733, \$536,811, and \$518,624 for police and \$859,281, \$786,354, and \$762,748 for firefighters, respectively. The full amount has been contributed for 2006 and 2005 and 74.5% has been contributed for 2007.

NOTE 7 - POST EMPLOYMENT BENEFITS

A. Ohio Public Employees Retirement System

Plan Description

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

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

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

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

OPERS issues a stand-alone financial report. Interested parties may obtain a copy by writing OPERS, attention: Finance Director, 277 East Town Street, Columbus, OH 43215-4642, or by calling (614) 222-5601 or (800) 222-7377.

Funding Policy

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

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2007, the City contributed at 13.85% of covered payroll. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14% of covered payroll. Active members do not make contributions to the OPEB Plan.

OPERS' Post Employment Health Care Plan was established under, and is administered in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Retirement Board determined the portion of the employer contribution rate that will be set aside for funding of post employment health care benefits. For 2007, the employer contribution allocated to the health care plan from January 1 through June 30, 2007 and July 1 through December 31, 2007 was 5.0% and 6.0% of covered payroll, respectively. The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits provided, by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

Information from City's Records

The City's actual contributions for the current year, which were used to fund postemployment benefits, were \$175,930 for the period of January 1 through June 30, 2007 and were \$216,643 for the period of July 1 through December 31, 2007, \$313,453 for December 31, 2006 and \$269,862 for December 31, 2005.

OPERS Retirement Board Implements its Health Care Preservation Plan

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

Other Information

At December 31, 2007, the number of active contributing participants in the Traditional and Combined Plans totaled 374,979. The number of active contributing participants for both plans used in the December 31, 2006 actuarial valuation was 362,130.

The actual contribution and the actuarially required contribution amounts are the same. OPERS's net assets available for payment of benefits at December 31, 2006, (the latest information available) were \$12.0 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$30.7 billion and \$18.7 billion, respectively.

B. Ohio Police and Fire Pension Fund

Plan Description

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

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

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

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

Funding Policy

The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F (defined benefit pension plan). Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently, 19.50% and 24.00% of covered payroll for police and fire employers, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.50% of the covered payroll for police employer units and 24.00% of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

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

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

Information from City's Records

The City's contributions to OP&F for the year ending December 31, 2007 were \$194,014 for police and \$241,458 for fire; for the year ending December 31, 2006 were \$213,114 for police and \$253,992 for fire; and for the year ending December 31, 2005 were \$205,894 for police and \$246,368 for fire, respectively, was allocated to the healthcare plan.

Other Information

The number of participants eligible to receive health care benefits as of December 31, 2006, the date of the last actuarial valuation available, are 14,120 for Police and 10,563 for Firefighters. OP&F's total health care expense for the year ending December 31, 2006, the date of the last actuarial valuation available, was \$120,373,722, which was net of member contributions of \$58,532,848.

NOTE 8 - OTHER EMPLOYEE BENEFITS

A. Compensated Absences

All full-time City employees earn vacation at varying rates based upon the employee's years of service. Employees are allowed to carry over up to two years of accumulated vacation. Upon separation from the City, the employee (or his estate) with six months or more of service, receives accumulated, unused vacation up to an allowable maximum ranging from one year to two years accrual. Most City employees earn sick leave at a rate of 1.25 days per month of work completed. Firefighters earn sick leave at a rate of 1.76 days per month of work completed. Upon retirement, eligible employees will be compensated for their accumulated sick leave at a maximum rate of one-third of the balance provided they meet minimum accumulated sick leave hours ranging from 480 to 720 hours and do not exceed varying maximums ranging from 1,200 to 1,800 hours. The monetary compensation is calculated at the hourly rate of compensation of the employee at the time of retirement.

Sick leave benefits are accrued as a liability using the vesting method. The entire compensated absence liability is reported on the government-wide financial statements.

For governmental funds, the current portion of unpaid compensated absences is the amount that is due and payable. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated leave are paid. The noncurrent portion of the liability is not reported. Compensated absences are reported in governmental funds only if they have matured. In proprietary funds, the entire amount of compensated absences is reported as a fund liability.

B. Medical, Dental and Life Insurance Benefits

The City provides medical, dental and life insurance benefits for all full-time (30+ hours per week) employees. The non-union, FOP and AFSCME personnel can select from one of three medical plans, either Anthem PPO plan (base), Anthem PPO (buy-up) or an Anthem Health Savings Account (HSA). The IAFF had the Anthem HMO plan but were converted to the same program options offered to non-union, FOP and AFSCME personnel with the October 1, 2007 renewal.

The City also provides life insurance through Anthem Life in the amount of \$50,000 for nonunion, FOP and IAFF personnel. The City provides, through the Ohio AFSCME Care Plan, life insurance, accidental death and dismemberment, vision and hearing aid insurance for AFSCME personnel. Life insurance through the AFSCME Care Plan is based on their hourly wage with a minimum and maximum of \$10,000 and \$16,000, respectively.

The City also provides through Ohio AFSCME Care Plan dental insurance for AFSCME, FOP & IAFF personnel. Dental Insurance for non-union personnel is provided by Superior Dental.

NOTE 9 - NOTES PAYABLE

The Ohio Revised Code provides that notes including renewal notes issued in anticipation of the issuance of general obligation bonds may be issued and outstanding from time to time up to a maximum period of 20 years from the date of issuance of the original notes. The maximum maturity for notes anticipating general obligation bonds payable from special assessments is five years. Any period in excess of five years must be deducted from the permitted maximum maturity of the bonds anticipated, and portions of the principal amount of notes outstanding for more than five years must be retired in amounts at least equal to, and payable no later than, those principal maturities required if the bonds had been issued at the expiration of the initial five year period. Bond anticipation notes may be retired at maturity from the proceeds of the sale of renewal notes or of the bonds anticipated by the notes, or from available funds of the City or a combination of these sources.

	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental Activities						
<u>Notes Payable:</u>						
Commerce Blvd. Extension - Ban	9/13/2007	4.50%	\$1,550,000	\$0	(\$1,550,000)	\$0
Fire Improvement - Ban	11/1/2007	4.25%	2,500,000	0	(2,500,000)	0
Special Assessment - Ban	8/16/2007	4.25%	700,000	0	(700,000)	0
Commerce Blvd. Extension - Ban	9/12/2008	4.65%	0	1,600,000	0	1,600,000
Fire Improvement - Ban	10/30/2008	4.00%	0	500,000	0	500,000
Special Assessment - Ban	8/15/2008	4.50%	0	370,000	0	370,000
Total Governmental Activities Notes Payable			<u>\$4,750,000</u>	<u>\$2,470,000</u>	<u>(\$4,750,000)</u>	<u>\$2,470,000</u>
Business-Type Activities						
<u>Notes Payable:</u>						
Water Improvement	6/27/2007	4.50%	\$1,500,000	\$0	(\$1,500,000)	\$0
Sewer Improvement	6/27/2007	4.50%	2,400,000	0	(2,400,000)	0
Water Improvement	6/26/2008	4.50%	0	600,000	0	600,000
Water Improvement	6/26/2008	4.25%	0	1,922,000	0	1,922,000
Sewer Improvement	6/26/2008	4.25%	0	4,078,000	0	4,078,000
Total Business Type Activities Notes Payable			<u>\$3,900,000</u>	<u>\$6,600,000</u>	<u>(\$3,900,000)</u>	<u>\$6,600,000</u>

The Commerce Blvd. Extension – BAN is a refinancing of the Tax Increment Financing Revenue notes necessary to finance roadway, curb and sidewalk improvements extending Commerce Center Blvd to Garland Avenue. The Fire Improvement – BAN is a final financing note to allow for final payments for the construction of two new fire stations and renovation of two existing fire stations and equipping the aforementioned fire stations and for acquiring various fire and EMS equipment. The Special Assessment – BAN is an issuance of special assessment notes in anticipation of the issuance of bonds for the purpose of constructing and repairing curbs, sidewalks and driveway approaches. Upon completion of the project and invoicing of property owners, five year bonds will be issued and outstanding charges will be assessed to the property owners over a five-year period. The Water Improvement is an issuance of notes for the purpose of constructing and improving a wellfield and the Sewer Improvement is

an issuance of notes for designing and improving a water reclamation building and office lab; constructing aeration improvements to treatment plant; designing, constructing and improving a main pump station and force main; and designing, constructing and improving an influent screening building.

NOTE 10 - LONG-TERM OBLIGATIONS

Detail of the changes in the bonds, notes, capital leases and compensated absences of the City for the year ended December 31, 2007 is as follows:

	Maturity Date	Rate	Restated Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Governmental Activities							
<u>Bonds Payable:</u>							
1998 Police/Fire Dispatch	12/1/2007	4.45%-4.50%	\$75,000	\$0	(\$75,000)	\$0	\$0
1999 Street Improvement	12/1/2009	5.00%	90,000	0	(30,000)	60,000	30,000
2001 Fairborn Library	10/1/2011	3.0%-4.2%	685,000	0	(130,000)	555,000	135,000
2003 Municipal Court Building Renovation	12/1/2016	3.5%-4.75%	410,000	0	(15,000)	395,000	15,000
2004 Municipal Cover Building	12/1/2014	2.0%-3.5%	80,000	0	(10,000)	70,000	10,000
2004 Fire Trucks Bond	12/1/2007	2.0%-2.1%	60,000	0	(60,000)	0	0
2005 Income Tax Revenue Bonds	12/1/2014	3.0%-4.5%	8,470,000	0	(900,000)	7,570,000	920,000
2005 Premium on Income Tax Revenue Bonds			225,164	0	(28,145)	197,019	28,145
Total Bonds			10,095,164	0	(1,248,145)	8,847,019	1,138,145
<u>Special Assessment Bonds with Governmental Commitment:</u>							
1988 Street Improvement	12/1/2008	7.50%-7.60%	150,000	0	(75,000)	75,000	75,000
1998 Commerce Center/Channingway Drive	12/1/2018	5.15%	830,000	0	(50,000)	780,000	55,000
2003 Dayton - Yellow Springs Improvement	12/1/2023	4.0%-8.3%	275,000	0	(10,000)	265,000	10,000
2006 Curb and Sidewalk	12/1/2011	4.00%	505,000	0	(90,000)	415,000	100,000
2007 Curb and Sidewalk	12/1/2012	4.00%	0	465,000	0	465,000	80,000
<u>Special Assessment Notes:</u>							
2001 Curb and Sidewalk	12/1/2007	4.00%	11,288	0	(11,288)	0	0
2002 Curb and Sidewalk	12/1/2008	4.00%	24,823	0	(12,411)	12,412	12,412
Total Special Assessment Bonds and Notes			1,796,111	465,000	(248,699)	2,012,412	332,412
Capital Leases			720,737	0	(93,723)	627,014	91,063
Compensated Absences			1,040,685	791,858	(783,615)	1,048,928	749,360
Total Governmental Activities			\$13,652,697	\$1,256,858	(\$2,374,182)	\$12,535,373	\$2,310,980
	Maturity Date	Rate	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Business-Type Activities							
<u>Bonds:</u>							
2001 Utility Improvement - Water	10/1/2011	3.00% - 4.20%	\$995,000	\$0	(\$185,000)	\$810,000	\$192,500
Unamortized Charge			(12,158)	0	2,560	(9,598)	(2,560)
2001 Utility Improvement - Sewer	10/1/2011	3.00% - 4.20%	995,000	0	(185,000)	810,000	192,500
Unamortized Charge			(12,158)	0	2,560	(9,598)	(2,560)
2001 Various Purpose - Water	10/1/2011	3.50% - 4.20%	510,000	0	(95,000)	415,000	97,500
2001 Various Purpose - Sewer	10/1/2011	3.50% - 4.20%	510,000	0	(95,000)	415,000	97,500
2003 Various Purpose - Sewer	12/1/2011	5.00%	520,000	0	(100,000)	420,000	100,000
2004 Various Purpose - Water	12/1/2024	2.00%	1,132,950	0	(46,800)	1,086,150	48,750
2004 Various Purpose - Sewer	12/1/2024	2.00%	1,772,050	0	(73,200)	1,698,850	76,250
Total Bonds			6,410,684	0	(774,880)	5,635,804	799,880
<u>Special Assessment Bonds with Governmental Commitment:</u>							
2003 Various Purpose - Sewer	12/1/2023	5.00%	155,000	0	(5,000)	150,000	10,000
<u>Ohio Water Development Authority Loans (OWDA):</u>							
1986 OWDA Loan	1/1/2011	8.97%	374,765	0	(81,988)	292,777	89,342
1993 OWDA Loan	1/1/2013	5.20%	1,040,692	0	(151,972)	888,720	159,977
1994 OWDA Loan	1/1/2013	3.54%	78,142	0	(11,908)	66,234	12,334
1999 OWDA Loan	1/1/2014	3.91%	901,253	0	(114,287)	786,966	118,800
Total Ohio Water Development Authority Loans			2,394,852	0	(360,155)	2,034,697	380,453
Ohio Public Works Commission Loan (OPWC)	1/1/2016	0.00%	150,170	0	(16,685)	133,485	16,685
Capital Leases	1/1/2016		39,576	0	(19,348)	20,228	20,228
Landfill Closure and Postclosure Care Cost			242,628	220,956	(38,632)	424,952	38,632
Compensated Absences			151,397	101,932	(86,338)	166,991	99,220
Total Business-Type Activities			\$9,544,307	\$322,888	(\$1,301,038)	\$8,566,157	\$1,365,098

The principal amount of the City's special assessment bonds outstanding at December 31, 2007, \$2,000,000, is general obligation debt (backed by the full faith and credit of the City) that is being retired with the proceeds from special assessments levied against benefited property owners. The City is obligated to repay the debt irrespective of the amount of special assessments collected from property owners.

The voted general obligation bond issues will be paid through the General Bond Retirement Fund from tax revenue. The unvoted general obligation bond issues will be paid from the General Capital Improvement Fund and Buildings and Land Fund from tax revenue. The income tax revenue bonds will be paid through the Public Safety Equipment / Facility Fund. Enterprise Funds' bonds payable are general obligation bonds paid from operating revenues of the enterprise operation for which the improvements were made. The OWDA loans payable represents amounts borrowed from the Ohio Water Development Authority for the construction of sewer system improvements to the water reclamation center, part of the Sewer Fund. The loans will be paid from Sewer Fund revenue.

A. Future Long-Term Financing Requirements

A summary of the City's future long-term debt funding requirements including principal and interest payments as of December 31, 2007 follows:

Year Ending	Governmental Activities							
	General Obligation Bonds		Special Assessment Bonds		Special Assessment Notes		Income Tax Revenue Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
December 31								
2008	\$190,000	\$46,196	\$320,000	\$99,524	\$12,412	\$496	\$920,000	\$294,850
2009	195,000	38,400	256,000	77,339	0	0	960,000	262,650
2010	170,000	30,355	272,000	66,191	0	0	1,000,000	229,050
2011	175,000	23,440	283,000	54,105	0	0	1,105,000	194,050
2012	30,000	16,165	179,000	41,900	0	0	1,145,000	152,613
2013-2017	320,000	42,128	470,000	125,232	0	0	2,440,000	162,838
2018-2022	0	0	200,000	23,110	0	0	0	0
2023-2026	0	0	20,000	900	0	0	0	0
Totals	<u>\$1,080,000</u>	<u>\$196,684</u>	<u>\$2,000,000</u>	<u>\$488,301</u>	<u>\$12,412</u>	<u>\$496</u>	<u>\$7,570,000</u>	<u>\$1,296,051</u>
Year Ending	Business-Type Activities							
	General Obligation Bonds		Special Assessment Bonds		OWDA Loans		OPWC Loan	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
December 31								
2008	\$805,000	\$222,869	\$10,000	\$6,100	\$380,453	\$102,279	\$16,685	\$0
2009	820,000	194,069	10,000	5,840	402,025	80,707	16,686	0
2010	855,000	163,994	10,000	5,550	424,950	57,783	16,686	0
2011	905,000	131,419	5,000	5,240	333,750	33,379	16,685	0
2012	135,000	95,929	5,000	5,075	349,341	17,787	16,686	0
2013-2017	755,000	406,750	50,000	20,250	144,178	4,242	50,057	0
2018-2022	940,000	228,736	50,000	9,400	0	0	0	0
2023-2026	440,000	25,933	10,000	470	0	0	0	0
Totals	<u>\$5,655,000</u>	<u>\$1,469,699</u>	<u>\$150,000</u>	<u>\$57,925</u>	<u>\$2,034,697</u>	<u>\$296,177</u>	<u>\$133,485</u>	<u>\$0</u>

B. Conduit Debt

The City has issued Industrial Revenue Bonds to provide financial assistance to a private-sector entity for the acquisition and construction of an extended care facility deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facility transfers to the private-sector entity served by the bond issuance. Neither the City, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of December 31, 2007, there was one series of Industrial Revenue Bonds outstanding with an aggregate principal amount payable of \$1,128,750. The original issue amount totaled \$2,500,000.

C. Defeasance of General Obligation Debt

In September of 2001, the City defeased \$3,615,000 of General Obligation Bonds for Utility Improvements dated October 1, 1991 (the "1991 Utility Improvement Bonds") through the issuance of \$3,960,000 of General Obligation Bonds for Utility Improvements (the "2001 Utility Improvement Bonds"). Also in September of 2001, the City defeased \$1,245,000 of General Obligation Bonds for Library Improvements dated October 1, 1991 (the "1991 Library Improvement Bonds") through the issuance of \$1,370,000 of General Obligation Bonds for Library Improvements (the "2001 Library Improvement Bonds"). The net proceeds of the 2001 Utility Improvement Bonds and the 2001 Library Improvement Bonds have been invested in obligations guaranteed as to both principal and interest by the United States and placed in irrevocable escrow accounts, which including interest earned, will be used to pay the principal and interest on the refunded bonds. The refunded Utility Improvement Bonds, which have an outstanding balance of \$1,620,000 at December 31, 2007, and the Library Improvement Bonds, which have an outstanding balance of \$555,000 at December 31, 2007, are not included in the City's outstanding debt since the City has in-substance satisfied its obligations through the advance refunding.

NOTE 11 - LANDFILL CLOSURE AND POSTCLOSURE CARE COST

State and federal laws and regulations require the City to perform certain maintenance and monitoring functions at the landfill site for thirty years after closure. The City's landfill placed its final cover in 1989. The \$424,952 reported as landfill postclosure care liability in the Sanitation Enterprise Fund at December 31, 2007, represents the cumulative amount reported to date based on the estimated cost of maintenance and monitoring through 2018. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

The City is not required by state and federal laws and regulations to provide assurances that financial resources will be available to provide for postclosure care and remediation or containment of environmental hazards at the landfill. On March 1, 1990, the financial assurance rules went into effect. Prior to that, post-closure care was required (as long as the facility closed between March 1, 1987 and February 28, 1990), but there were no requirements for financial assurance since no financial assurance rules existed.

NOTE 12 - CAPITAL LEASE COMMITMENTS

Under capital leases the City leases a truck, municipal court space at Skyway Plaza and a case loader. The original cost of the assets under capital lease is \$1,068,779. The original costs for the truck and the skyway plaza are accounted for in the Governmental Activities Capital Assets and the related Liability in the Governmental Activities Other Long-Term Obligations. The original costs of these assets were \$971,847. The truck lease was paid off in 2007. The original cost and liability for the case loader is accounted for in the Water Fund. The original cost of this asset is \$96,932.

The following is a schedule of the future minimum lease payments under the capital leases together with the present value of the net minimum lease payments as of December 31, 2007:

<u>Year Ending December 31,</u>	<u>Governmental Capital Leases</u>	<u>Business-Type Capital Leases</u>
2008	\$118,881	\$21,148
2009	118,881	0
2010	118,881	0
2011	118,882	0
2012	118,881	0
2013-2014	128,788	0
Minimum Lease Payments	<u>723,194</u>	<u>21,148</u>
Less: Amount representing interest at the City's incremental borrowing rate of interest	<u>(96,180)</u>	<u>(920)</u>
Total Present Value	<u><u>\$627,014</u></u>	<u><u>\$20,228</u></u>

NOTE 13 – TRANSFERS

Following is a summary of transfers in and out for all funds for 2007:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$0	\$4,029,891
Fire and EMS Fund	3,069,702	0
General Bond Retirement Fund	0	11,212*
Public Safety Equipment/Facility Fund	329,835	0
Other Governmental Funds	727,835	97,481
Sewer Fund	<u>11,212*</u>	<u>0</u>
Total All Funds	<u><u>\$4,138,584</u></u>	<u><u>\$4,138,584</u></u>

* Transfer for financial reporting purposes only

Transfers are used to move revenues from the funds that statute or budget requires to collect them to the funds that statute or budget requires to expend them; to segregate money for anticipated capital projects; to provide additional resources for current operations or debt service; and to return money to the fund from which it was originally provided once a project is completed.

NOTE 14 - INTERFUND ASSETS AND LIABILITIES

Individual fund interfund receivable and payable balances at December 31, 2007, were as follows:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$36,764	\$0	\$0	\$9,786
Fire and EMS Fund	0	0	0	5,059
Water Fund	0	0	0	1,829
Sewer Fund	0	0	0	1,101
Sanitation Fund	0	0	0	642
Other Governmental Funds	0	36,764	0	5,264
Equipment Fund	0	0	23,982	179
Information Technology Fund	<u>0</u>	<u>0</u>	<u>0</u>	<u>122</u>
Total All Funds	<u>\$36,764</u>	<u>\$36,764</u>	<u>\$23,982</u>	<u>\$23,982</u>

On the Statement of Net Assets, the Business-Type Activities reported an internal balance at December 31, 2007 of \$151,165, which was offset in the Governmental Activities by the same amount. The Due to Other Funds is a reimbursement of expenditures made by the funds. The Interfund Receivable is a short-term loan to cover a temporary cash deficit.

The City advanced money from the General Fund to the County Motor Vehicle Tax Fund for the amount remaining of \$36,764 to finance the remainder of the 2005 Street Program.

NOTE 15 - RISK MANAGEMENT

The City is exposed to various risks of property and casualty losses, and injuries to employees.

The City insures against injuries to employees through the Ohio Bureau of Worker’s Compensation.

The City belongs to the Public Entities Pool of Ohio (PEP), a risk-sharing pool available to Ohio local governments. PEP provides property and casualty coverage for its members. PEP is a member of the American Public Entity Excess Pool (APEEP). Member governments pay annual contributions to fund PEP. PEP pays judgments, settlements and other expenses resulting from covered claims that exceed the members’ deductibles.

Casualty Coverage

For an occurrence prior to January 1, 2006 PEP retains casualty risks up to \$250,000 per occurrence, including claim adjustment expenses. PEP pays a percentage of its contributions to APEEP. APEEP reinsures claims exceeding \$250,000, up to \$1,750,000 per claim and \$10,000,000 in the aggregate per year. For an occurrence on or subsequent to January 1, 2006, the Pool retains casualty risk up to \$350,000 per occurrence, including loss adjustment expenses. Claims exceeding \$350,000 are reinsured with APEEP in an amount not to exceed \$2,650,000 for each claim and \$10,000,000 in the aggregate per year. Governments can elect up to \$10,000,000 in additional coverage with the General Reinsurance Corporation, through contracts with PEP.

If losses exhaust PEP's retained earnings, APEEP provides *excess of funds available* coverage up to \$5,000,000 per year, subject to a per-claim limit of \$2,000,000 (for claims prior to January 1, 2006) or \$3,000,000 (for claims on or after January 1, 2006) as noted above.

Property Coverage

Beginning in 2005, APEEP established a risk-sharing property program. Under the program, Travelers reinsures specific losses exceeding \$250,000 up to \$600 million per occurrence. This amount was increased to \$300,000 in 2007. For 2007, APEEP reinsures members for specific losses exceeding \$100,000 up to \$300,000 per occurrence, subject to an annual aggregate loss payment. For 2006, APEEP reinsures members for specific losses exceeding \$100,000 up to \$250,000 per occurrence, subject to an annual aggregate loss payment. Travelers provides aggregate stop-loss coverage based upon the combined members' total insurable values. If the stop loss is reached by payment of losses between \$100,000 and \$250,000 in 2006, or \$100,000 and \$300,000 in 2007, Travelers will then reinsure specific losses exceeding \$100,000 up to their \$600 million per occurrence limit. The aggregate stop-loss limit for 2007 was \$2,014,548.

The aforementioned casualty and property reinsurance agreements do not discharge PEP's primary liability for claims payments on covered losses. Claims exceeding coverage limits are the obligation of the respective government.

Property and casualty settlements did not exceed insurance coverage for the past three fiscal years.

<u>Type of Coverage</u>	<u>Coverage</u>	<u>Deductible</u>
Legal Liability for Third Party Claims	\$9,000,000	N/A
Automobile Liability	9,000,000	N/A
Law Enforcement Operations	9,000,000	\$3,000
Wrongful Acts (Public Officials)	9,000,000	5,000
Dishonesty	500,000	500

Financial Position

PEP's financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2007 and 2006.

	<u>2007</u>	<u>2006</u>
Assets	\$37,560,071	\$36,123,194
Liabilities	(17,340,825)	(16,738,904)
Net Assets	<u>\$20,219,246</u>	<u>\$19,384,290</u>

At December 31, 2007 and 2006, respectively, the liabilities above include approximately \$15.9 million and \$15.0 million of estimated incurred claims payable. The assets and retained earnings above also include approximately \$15.0 million and \$14.4 million of unpaid claims to be billed to approximately 443 member governments in the future, as of December 31, 2007 and 2006, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. The City's share of these unpaid claims collectible in future years is approximately \$243,001. This payable includes the subsequent year's contribution due if the City terminates participation, as described in the last paragraph below.

Based on discussions with PEP, the expected rates PEP charges to compute member contributions, which are used to pay claims as they become due, are not expected to change significantly from those used to determine the historical contributions detailed below. By contract, the annual liability of each member is limited to the amount of financial contributions required to be made to PEP for each year of membership.

Contribution to PEP

2005	\$180,260
2006	185,835
2007	211,306

After completing one year of membership, members may withdraw on each anniversary of the date they joined PEP provided they provide written notice to PEP 60 days in advance of the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent year's budgetary contribution. Withdrawing members have no other future obligation to the pool. Also upon withdrawal, payments for all casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim occurred or was reported prior to the withdrawal.

NOTE 16 - CONTINGENT LIABILITIES

A. Litigation

The City of Fairborn is a party to legal proceedings seeking damages or injunctive relief generally incidental to its operations and pending projects. The City management is of the opinion that ultimate disposition of these claims and legal proceedings will not have a material effect, if any, on the financial condition of the City.

Orbit Movers & Erectors, Inc. v. City of Fairborn, et al.

On May 8, 2006 Plaintiff filed a complaint in the Montgomery County Common Pleas Court related to upgrade of the City's water treatment plant. Orbit's claims were for services performed in addition to the contractual amount of compensation. On July 3, 2006 Defendant City of Fairborn filed an Answer to Plaintiff's Complaint against A.T.S. Engineering, Inc. An agreement was reached on March 26, 2008. The City will pay \$217,500 to Orbit, which is below the budgeted amount.

John R. Juergenson v. City of Fairborn

On January 2, 2008 Plaintiff filed a Complaint in the Hamilton County Common Pleas Court related to the 2006 Street Program. Juergenson’s claims additional compensation over and above the contract price as a result of an increase in the asphalt binder index. Plaintiff did not request a change to allow for the increase in the asphalt binder index. On January 31, 2008 Defendant City of Fairborn filed an Answer and Counterclaim. The City is vigorously defending Juergenson’s claims. This matter is currently scheduled for trial on February 17, 2009. However, the City believes there is a possibility this matter will settle prior to then.

B. Federal and State Grants

For the period January 1, 2007, to December 31, 2007, the City received federal and state grants for specific purposes that are subject to review and audit by grantor agencies or their designee. Such audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. Based on prior experience, the City believes such disallowance, if any, would be immaterial.

NOTE 17 - CONSTRUCTION COMMITMENTS

As of December 31, 2007, the City had the following commitments with respect to capital projects:

<u>Project</u>	<u>Remaining Construction Commitment</u>	<u>Estimated Date of Completion</u>
Well Redevelopment	\$35,400	3/31/08
Wellfield Design/Construction	1,210,771	4/30/08
SEL Force Main Design	2,391	8/31/08
Sanitary Sewer Rehab	34,200	8/31/08
Upgrade Kauffman Lift Station - Design	34,953	10/31/08
High Service Booster Pump Station & Tank Design	40,247	10/31/08
Street Program	58,753	2/1/08
Dayton Yellow Springs Road - Dayton	28,621	11/1/08
ADA Curb/Ramp Project	19,650	12/1/07
Influent Pumping Stand-By Power Improvements	39,355	4/23/08
Total	<u>\$1,504,341</u>	

NOTE 18 – JOINTLY GOVERNED ORGANIZATIONS

Miami Valley Regional Planning Commission

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 Fairborn. The Commission prepares plans, including studies, maps, recommendations, and reports concerning the physical, environmental, social, economic, and governmental characteristics, functions, and services of the region.

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

Payments to the Commission are made from the General Fund. The City contributed \$14,919 during 2007. Financial information can be obtained from Donald Spang, Executive Director, at One South Main Street, Suite 260, Dayton, Ohio 45402.

Regional Emergency Response Team (RERT)

The Regional Emergency Response Team (RERT) is a jointly governed organization between the following cities: Huber Heights, Vandalia, Fairborn, and Beavercreek. The organization was created through an agreement by the cities to establish a regional council of governments for the RERT. The regional council of governments collects and expends resources to assist the RERT in fighting crime and for other related activities. The purpose of the RERT is to foster cooperation among municipalities through sharing of equipment/facilities/collective team expenses, team consultant expenses and grant sharing costs, for their common benefit. This includes the mutual interchange and sharing of police equipment, as well as police equipment to be jointly acquired and owned, to be utilized by all participating members. The Board of the RERT is made up of one representative from each municipality. Payments to the RERT are made from the General Fund. The City contributed \$5,000 for the operation of the RERT for 2007. Financial information can be obtained from the fiscal agent by writing to the RERT, c/o The City of Beavercreek, Bill Kucera, Finance Director, at 1368 Research Park Drive, Beavercreek, Ohio 45432.

Greene County Agencies for Combined Enforcement (ACE Task Force)

The Greene County Agencies for Combined Enforcement (ACE Task Force) is a jointly governed organization comprised of the Greene county Sheriff's Office; the Beavercreek, Fairborn, Xenia, Yellow Springs and Sugarcreek Township Police Departments; and Greene County Prosecutor's Office. The ACE Task Force is a multi-jurisdictional, multi-disciplinary partnership to share information and resources in order to target the flow of illegal drugs and organized criminal activity into Ohio communities, ensuring the safety and security of Ohio's citizens. Payments to the Task Force are made from the General fund. The City contributed \$10,500 during 2007. Financial information can be obtained from Greene County Agencies for Combined Enforcement (ACE Task Force), Commander Bruce L. May, 1388 Research Park Drive, Beavercreek, OH 45432.

Community Improvement Corporation of Fairborn (CIC)

The Community Improvement Corporation of Fairborn (CIC) is a jointly governed organization created as a not for profit corporation under Chapter 1724 of the Ohio Revised Code. The CIC was formed to advance, encourage, and promote the industrial, economic, commercial, and civic development of the County of Greene, Ohio and the municipal corporations located therein. The City contributed \$2,000 from the General Fund to the CIC during 2007. Financial information can be obtained by writing to CIC, c/o The City of Fairborn, Gary Woodward, President, at 44 West Hebble Avenue, Fairborn, OH 45324.

Greene County Regional Planning and Coordination Commission (GCPRCC)

The Greene County Regional Planning and Coordination Commission (GCPRCC) is a jointly governed organization between Green County area municipalities, townships and villages. There are two governing bodies; the Planning Commission which consists of one elected official of the following jurisdictions: Fairborn, Beavercreek, Xenia, Bellbrook, Cedarville, Clifton, Jamestown, Spring Valley, Yellow Springs and 3 County Commissioners; and the Executive Committee which consists of an elected official from Fairborn, Cedarville Township, New Jasper Township, Bellbrook and a County Commissioner.

GCRPCC prepares plans, including studies, maps, recommendations and reports concerning the physical, environmental, social, economic and governmental characteristics, functions, and services for the unincorporated areas of Greene County. They provide assistance to the incorporated areas of Greene County. They provide assistance to the incorporated areas with planning projects.

Payments to GCRPCC are made from the General Fund. The City contributed \$6,067, the equivalent of \$.1893 per capita (35,052) during 2007. Financial information can be obtained from Stephen Anderson, Executive Director, at 651 Dayton-Xenia Road, Xenia, Ohio 45385.

NOTE 19 – ACCOUNTABILITY

The City had a negative fund balance, due to accruals, in the following funds as of year end:

Major Funds:	
Fire and EMS Fund	\$44,719
Tax Increment Financing Fund	1,569,333
Other Governmental Funds:	
County Motor Vehicle Tax Fund	27,735
Issue II Improvement Fund	3,328
Special Assessment Construction Fund	219,569

NOTE 20 - CHANGE IN ACCOUNTING PRINCIPLE

For the year ended December 31, 2007, the City has implemented GASB Statement No. 45, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions" and GASB Statement No. 48 "Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues."

Statement No. 45 addresses how state and local governments should account for and report their costs and obligations related to postemployment healthcare and other non-pension benefits. This also establishes disclosure requirements for information about the plans in which an employer participates, the funding policy followed, the actuarial valuation process and assumptions, and for certain employers, the extent to which the plan has been funded over time. Collectively, these benefits are commonly referred to as “other postemployment benefits (OPEB).”

Statement No. 48 establishes criteria that governments will use to ascertain whether the proceeds of future revenue received should be reported as revenue or as a liability.

There was no effect on fund balance/net assets as a result of the implementation of these new standards.

NOTE 21 - PRIOR PERIOD ADJUSTMENT

A prior period adjustment was required to reclass investment earnings from the General Bond Retirement Fund to the General Fund. This reclass had the following effect on fund balances at December 31, 2006:

	General	General Bond Retirement
Ending Fund Balances, December 31, 2006	\$5,159,644	\$669,100
Reclass of Investment Earnings	288,262	(288,262)
Restated Beginning Fund Balance, January 1, 2007	<u>\$5,447,906</u>	<u>\$380,838</u>

A prior period adjustment was required to restate capital assets at December 31, 2006 due to the recording of various capital assets. Net Assets at December 31, 2006 were restated due to the recording of a Capital Leases Payable in the Governmental Activities. This restatement had the following effect on net assets at December 31, 2006:

	Governmental Activities	Business-Type Activities	Water Fund	Sewer Fund
Ending Net Assets December 31, 2006	\$66,928,663	\$17,418,082	\$5,903,097	\$10,602,984
Restatement of Capital Assets	1,236,865	(657,192)	(12,363)	(644,829)
Restatement of Capital Leases Payable	(713,861)	0	0	0
Beginning Net Assets January 1, 2007	<u>\$67,451,667</u>	<u>\$16,760,890</u>	<u>\$5,890,734</u>	<u>\$9,958,155</u>

NOTE 22 – SUBSEQUENT EVENTS

The City had the following subsequent events after December 31, 2007:

On January 7, 2008 the Council approved issuance of notes in the amount not to exceed \$450,000 in anticipation of the issuance of bonds.

On March 17, 2008 the Council authorized the issuance of special assessment notes in the amount not to exceed \$450,000 in anticipation of the issuance of bonds for the purpose of constructing and repairing certain sidewalks, curbs, and driveway approaches.

On March 17, 2008 the Council authorized the issuance of notes in the amount not to exceed \$6,600,000 in anticipation of the issuance of bonds for the purpose of 1) designing, constructing and improving a well field, with related site improvements and necessary appurtenances thereto; 2) designing, constructing, and improving a water reclamation center office building and laboratory, with related site improvements and necessary appurtenances thereto; 3) constructing improvements to the aeration plant, with related site improvements and necessary appurtenances thereto; 4) Designing a main pump station and force main, with related site improvements and necessary appurtenances thereto; 5) Designing constructing, and upgrading the wastewater treatment screening process with related site improvements and necessary appurtenances thereto; 6) Developing, constructing and improving a filter backwash transmission line; 7) Constructing and improving an n-viro storage area; 8) Designing a high booster pump station tank with related site improvements and necessary appurtenances thereto; and 9) Designing the mad river transmission line with related site improvements and necessary appurtenances thereto; and retiring notes previously issued for such purpose.

On March 17, 2008, the Council approved the issuance of notes in the amount of not to exceed \$1,210,000 in anticipation of the issuance of bonds for the purpose of 1) constructing and improving the Rona Village area booster pumping station, with related site improvements and appurtenances thereto; and 2) designing, constructing, improving, and upgrading the filter influent and effluent piping for the city's water treatment plant to accommodate additional flow, with related site improvements and appurtenances thereto.

On March 17, 2008, the Council approved the issuance of notes in the amount not to exceed \$3,070,000 in anticipation of the issuance of bonds for the purpose of constructing and improving a main pump station and back-up power supply, with related site improvements and necessary appurtenances thereto.

On April 7, 2008, the Council approved a lease-purchase financing in the amount of not to exceed \$1,051,000 for energy conservation measures and improvements for certain buildings used and owned by the city, and authorizing the execution of a lease-purchase agreement in connection therewith.

On June 2, 2008, the Council approved the issuance of special assessment bonds in the amount not to exceed \$320,000 for constructing and repairing of certain sidewalks, curbs and driveway approaches in the City.

On July 7, 2008 the Council authorized the issuance of tax increment financing revenue notes in anticipation of the issuance of bonds in the amount of not to exceed \$1,879,000 for the purpose of financing certain infrastructure improvements. In addition, Council authorized the issuance of notes in the amount of not to exceed \$161,000 in anticipation of the issuance of bonds for the purpose of constructing and improving various public infrastructure improvements in connection with the extension of commerce boulevard.



**COMBINING STATEMENTS AND
INDIVIDUAL FUND SCHEDULES**

FUND DESCRIPTIONS – NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special Revenue funds are used to account for the proceeds of specific revenue sources (other than amounts relating to expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes.

Street Maintenance and Repair Fund

To account for gasoline tax and motor vehicle license fees remitted to the City for routine street maintenance of city streets.

State Highway Fund

To account for gasoline tax and motor vehicle license fees used for routine state highways within the City.

Cemetery Fund

To account for revenues received from the sale of lots, charges for burial service and foundations and transfers to operate and maintain the City cemetery.

Community Development Fund

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

Victim Witness Fund

To account for grant money received from the State of Ohio.

Street Lighting Fund

To account for voted tax millage and transfers from the general fund to provide street lighting within the City.

County Motor Vehicle Tax Fund

To account for permissive license tax received from the County for a project approved by the county engineer, or transfers to finance the project until completion whereupon reimbursement will be received.

Law Enforcement Trust Fund

To account for fines generated in the prosecution of those in possession of contraband and the proceeds gained from the sale of the confiscated contraband.

Drug Law Enforcement Fund

To account for donations from interested civic groups and fines generated from the prosecution of illegal drug usage and sales.

City Motor Vehicle License Tax Fund

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

Indigent Drivers Alcohol Treatment Fund

To account for fines imposed by the Municipal Court for the purpose of paying the costs of attendance of indigent OMVI offenders at alcohol and drug addiction treatment programs.

Alcohol Enforcement and Education Fund

To account for fines imposed by the Municipal Court for the purpose of educating the public and enforcing the laws governing the operation of a motor vehicle while under the influence of alcohol.

Federal Forfeitures Fund

To account for proceeds from federal forfeitures received by the Fairborn Police Department pursuant to Section 2933.43 of the Ohio Revised Code. The revenue is used for law enforcement purposes only, excluding salaries.

Municipal Probation Services Fund

To account for the monies received from fines levied and expenditures by the Probations Officers.

Uninsured Loss Fund

To account for the expenditure of funds to repair damage to City property.

Capital Projects Funds

The Capital Projects Funds are used to account for the financial resources to be used for the acquisition or construction of major capital facilities, other than those financed by proprietary funds.

Issue II Improvement Fund

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

Municipal Court Improvement Fund

To account for an extra three dollar fee charged by the municipal court on all cases. The money received from this fee is used for capital improvement projects within the municipal court.

Court Special Projects Fund

To account for revenues derived from fines levied by the court to be used by the court for special projects.

General Capital Improvement Fund

To account for revenues received to purchase or construct equipment or buildings.

Parks and Recreation Improvements Fund

To account for hotel/motel tax and grants for the improvement of the City park system.

Building and Land Fund

To account for three percent of income tax revenue that is transferred from the general fund to fund major repair, replacement and improvement of City owned buildings and land. Minor repairs are paid through the departmental budgets of the City.

Special Assessment Construction Fund

To account for the sale of notes and the collection of special assessments for the construction of specific projects which will be paid from special assessments.

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

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:			
Equity in Pooled Cash and Investments	\$2,821,772	\$1,168,320	\$3,990,092
Receivables:			
Taxes	569,327	24,623	593,950
Accounts	17,462	29,451	46,913
Interest	0	279	279
Intergovernmental	923,170	1,428,840	2,352,010
Prepaid Items	2,270	0	2,270
Inventory	81,450	0	81,450
Total Assets	4,415,451	2,651,513	7,066,964
Liabilities and Fund Balances:			
Liabilities:			
Accounts Payable	422,915	20,534	443,449
Accrued Wages and Benefits	60,682	7,580	68,262
Compensated Absences	0	3,411	3,411
Accrued Interest Payable	0	6,227	6,227
Contingent Liabilities	100,000	0	100,000
Interfund Payable	36,764	0	36,764
Deferred Revenue	1,004,370	1,428,840	2,433,210
Due to Other Funds	5,264	0	5,264
General Obligation Notes Payable	0	413,100	413,100
Total Liabilities	1,629,995	1,879,692	3,509,687
Fund Balances:			
Reserved for Encumbrances	310,165	37,832	347,997
Reserved for Prepaid Items	2,270	0	2,270
Reserved for Inventory	81,450	0	81,450
Unreserved, Undesignated, Reported in:			
Special Revenue Funds	2,391,571	0	2,391,571
Capital Projects Funds	0	733,989	733,989
Total Fund Balances	2,785,456	771,821	3,557,277
Total Liabilities and Fund Balances	\$4,415,451	\$2,651,513	\$7,066,964

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

	Street Maintenance and Repair	State Highway	Cemetery	Community Development	Victim Witness
Assets:					
Equity in Pooled Cash and Investments	\$839,774	\$109,258	\$18,989	\$105,377	\$12,055
Receivables:					
Taxes	0	0	0	0	0
Accounts	2,621	0	0	0	1,184
Intergovernmental	519,922	42,156	0	233,489	18,207
Prepaid Items	1,812	154	304	0	0
Inventory	81,450	0	0	0	0
Total Assets	1,445,579	151,568	19,293	338,866	31,446
Liabilities and Fund Balances:					
Liabilities:					
Accounts Payable	64,943	2,080	928	2,136	0
Accrued Wages and Benefits	36,658	2,438	4,836	5,166	7,223
Contingent Liabilities	0	0	0	0	0
Interfund Payable	0	0	0	0	0
Deferred Revenue	359,712	29,166	0	233,489	14,158
Due to Other Funds	4,538	621	38	67	0
Total Liabilities	465,851	34,305	5,802	240,858	21,381
Fund Balances:					
Reserved for Encumbrances	119,429	528	481	26,868	0
Reserved for Prepaid Items	1,812	154	304	0	0
Reserved for Inventory	81,450	0	0	0	0
Unreserved, Undesignated, Reported in: Special Revenue Funds	777,037	116,581	12,706	71,140	10,065
Total Fund Balances	979,728	117,263	13,491	98,008	10,065
Total Liabilities and Fund Balances	\$1,445,579	\$151,568	\$19,293	\$338,866	\$31,446

Street Lighting	County Motor Vehicle Tax	Law Enforcement Trust	Drug Law Enforcement	City Motor Vehicle License Tax	Indigent Drivers Alcohol Treatment	Alcohol Enforcement and Education
\$6,062	\$235,100	\$71,456	\$6,462	\$368,507	\$380,715	\$7,345
167,670	133,886	0	0	267,771	0	0
0	711	0	125	0	659	207
8,042	32,362	0	0	64,734	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>181,774</u>	<u>402,059</u>	<u>71,456</u>	<u>6,587</u>	<u>701,012</u>	<u>381,374</u>	<u>7,552</u>
1,977	230,407	385	0	119,485	0	0
0	0	0	0	0	0	0
0	100,000	0	0	0	0	0
0	36,764	0	0	0	0	0
175,712	62,623	0	0	125,252	0	0
0	0	0	0	0	0	0
<u>177,689</u>	<u>429,794</u>	<u>385</u>	<u>0</u>	<u>244,737</u>	<u>0</u>	<u>0</u>
0	71,773	0	0	89,336	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>4,085</u>	<u>(99,508)</u>	<u>71,071</u>	<u>6,587</u>	<u>366,939</u>	<u>381,374</u>	<u>7,552</u>
<u>4,085</u>	<u>(27,735)</u>	<u>71,071</u>	<u>6,587</u>	<u>456,275</u>	<u>381,374</u>	<u>7,552</u>
<u>\$181,774</u>	<u>\$402,059</u>	<u>\$71,456</u>	<u>\$6,587</u>	<u>\$701,012</u>	<u>\$381,374</u>	<u>\$7,552</u>

- Continued -

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

	Federal Forfeitures	Municipal Probation Services	Uninsured Loss	Total Nonmajor Special Revenue Funds
Assets:				
Equity in Pooled Cash and Investments	\$191,502	\$343,958	\$125,212	\$2,821,772
Receivables:				
Taxes	0	0	0	569,327
Accounts	0	6,263	5,692	17,462
Intergovernmental	4,258	0	0	923,170
Prepaid Items	0	0	0	2,270
Inventory	0	0	0	81,450
Total Assets	195,760	350,221	130,904	4,415,451
Liabilities and Fund Balances:				
Liabilities:				
Accounts Payable	0	306	268	422,915
Accrued Wages and Benefits	0	4,361	0	60,682
Contingent Liabilities	0	0	0	100,000
Interfund Payable	0	0	0	36,764
Deferred Revenue	4,258	0	0	1,004,370
Due to Other Funds	0	0	0	5,264
Total Liabilities	4,258	4,667	268	1,629,995
Fund Balances:				
Reserved for Encumbrances	0	0	1,750	310,165
Reserved for Prepaid Items	0	0	0	2,270
Reserved for Inventory	0	0	0	81,450
Unreserved, Undesignated, Reported in: Special Revenue Funds	191,502	345,554	128,886	2,391,571
Total Fund Balances	191,502	345,554	130,636	2,785,456
Total Liabilities and Fund Balances	\$195,760	\$350,221	\$130,904	\$4,415,451



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

	Issue II Improvement	Municipal Court Improvement	Court Special Projects	General Capital Improvement	Parks and Recreation Improvements
Assets:					
Equity in Pooled Cash and Investments	\$0	\$111,179	\$28,177	\$445,043	\$261,468
Receivables:					
Taxes	0	0	0	0	24,623
Accounts	0	11,930	7,999	0	426
Interest	0	0	0	279	0
Intergovernmental	1,050,000	0	0	378,840	0
Total Assets	1,050,000	123,109	36,176	824,162	286,517
Liabilities and Fund Balances:					
Liabilities:					
Accounts Payable	3,328	160	0	6,525	3,286
Accrued Wages and Benefits	0	7,580	0	0	0
Compensated Absences	0	3,411	0	0	0
Accrued Interest Payable	0	0	0	0	0
Deferred Revenue	1,050,000	0	0	378,840	0
General Obligation Notes Payable	0	0	0	43,100	0
Total Liabilities	1,053,328	11,151	0	428,465	3,286
Fund Balances:					
Reserved for Encumbrances	29,281	103	0	2,345	0
Unreserved, Undesignated, Reported in: Capital Projects Funds	(32,609)	111,855	36,176	393,352	283,231
Total Fund Balances	(3,328)	111,958	36,176	395,697	283,231
Total Liabilities and Fund Balances	\$1,050,000	\$123,109	\$36,176	\$824,162	\$286,517

Building and Land	Special Assessment Construction	Total Nonmajor Capital Projects Funds
\$174,229	\$148,224	\$1,168,320
0	0	24,623
0	9,096	29,451
0	0	279
0	0	1,428,840
<u>174,229</u>	<u>157,320</u>	<u>2,651,513</u>
6,573	662	20,534
0	0	7,580
0	0	3,411
0	6,227	6,227
0	0	1,428,840
0	370,000	413,100
<u>6,573</u>	<u>376,889</u>	<u>1,879,692</u>
6,103	0	37,832
<u>161,553</u>	<u>(219,569)</u>	<u>733,989</u>
<u>167,656</u>	<u>(219,569)</u>	<u>771,821</u>
<u>\$174,229</u>	<u>\$157,320</u>	<u>\$2,651,513</u>



City of Fairborn, Ohio
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Nonmajor Governmental Funds
For the Fiscal Year Ended December 31, 2007

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:			
Taxes	\$1,955,324	\$71,511	\$2,026,835
Fines, Licenses & Permits	147,373	327,181	474,554
Charges for Services	31,836	21,658	53,494
Investment Earnings	126,172	41,460	167,632
Intergovernmental	2,109,658	17,755	2,127,413
Special Assessments	0	77,255	77,255
Other Revenues	124,307	16,986	141,293
Total Revenues	4,494,670	573,806	5,068,476
Expenditures:			
Current:			
General Government	11,856	224,708	236,564
Public Safety	736,596	0	736,596
Leisure Time Activities	0	5,636	5,636
Community Development	337,383	0	337,383
Transportation and Street Repair	1,241,097	87,509	1,328,606
Public Health and Welfare	104,930	0	104,930
Capital Outlay	1,805,629	713,874	2,519,503
Debt Service:			
Principal Retirement	0	216,847	216,847
Interest and Fiscal Charges	3,199	102,058	105,257
Total Expenditures	4,240,690	1,350,632	5,591,322
Excess of Revenues Over (Under) Expenditures	253,980	(776,826)	(522,846)
Other Financing Sources (Uses):			
Proceeds from Sale of Capital Assets	5,930	9,079	15,009
Issuance of Long-Term Capital-Related Debt	0	451,318	451,318
Transfers In	276,148	451,687	727,835
Transfers (Out)	(97,481)	0	(97,481)
Total Other Financing Sources (Uses)	184,597	912,084	1,096,681
Net Change in Fund Balance	438,577	135,258	573,835
Fund Balance Beginning of Year, Restated	2,368,417	636,563	3,004,980
Change in Reserve for Inventory	(21,538)	0	(21,538)
Fund Balance End of Year	\$2,785,456	\$771,821	\$3,557,277

City of Fairborn, Ohio
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Fiscal Year Ended December 31, 2007

	Street Maintenance and Repair	State Highway	Cemetery	Community Development	Victim Witness
Revenues:					
Taxes	\$0	\$0	\$0	\$0	\$0
Fines, Licenses & Permits	0	0	0	0	19,805
Charges for Services	770	0	25,374	0	0
Investment Earnings	43,234	7,956	0	0	0
Intergovernmental	1,115,010	90,406	0	472,383	58,395
Other Revenues	2,724	193	364	2,903	466
Total Revenues	<u>1,161,738</u>	<u>98,555</u>	<u>25,738</u>	<u>475,286</u>	<u>78,666</u>
Expenditures:					
Current:					
General Government	0	0	0	0	0
Public Safety	0	0	0	0	106,694
Community Development	0	0	0	337,383	0
Transportation and Street Repair	853,646	63,264	0	0	0
Public Health and Welfare	0	0	104,930	0	0
Capital Outlay	45,561	0	8,072	40,551	0
Debt Service:					
Interest and Fiscal Charges	0	0	0	0	0
Total Expenditures	<u>899,207</u>	<u>63,264</u>	<u>113,002</u>	<u>377,934</u>	<u>106,694</u>
Excess of Revenues Over (Under) Expenditures	<u>262,531</u>	<u>35,291</u>	<u>(87,264)</u>	<u>97,352</u>	<u>(28,028)</u>
Other Financing Sources (Uses):					
Proceeds from Sale of Capital Assets	1,116	0	0	0	0
Transfers In	0	0	101,148	0	25,000
Transfers (Out)	(13,300)	0	0	0	0
Total Other Financing Sources (Uses)	<u>(12,184)</u>	<u>0</u>	<u>101,148</u>	<u>0</u>	<u>25,000</u>
Net Change in Fund Balance	250,347	35,291	13,884	97,352	(3,028)
Fund Balance Beginning of Year, Restated	750,919	81,972	(393)	656	13,093
Change in Reserve for Inventory	(21,538)	0	0	0	0
Fund Balance End of Year	<u>\$979,728</u>	<u>\$117,263</u>	<u>\$13,491</u>	<u>\$98,008</u>	<u>\$10,065</u>

Street Lighting	County Motor Vehicle Tax	Law Enforcement Trust	Drug Law Enforcement	City Motor Vehicle License Tax	Indigent Drivers Alcohol Treatment	Alcohol Enforcement and Education
\$152,656	\$759,775	\$0	\$0	\$1,042,893	\$0	\$0
0	0	0	0	0	29,805	3,632
0	0	0	0	0	0	0
0	18,510	0	0	43,034	0	0
22,931	215,734	0	0	131,487	0	0
0	9,862	38,337	2,693	0	0	0
<u>175,587</u>	<u>1,003,881</u>	<u>38,337</u>	<u>2,693</u>	<u>1,217,414</u>	<u>29,805</u>	<u>3,632</u>
0	0	0	0	0	0	0
344,867	187,007	15,954	1,200	0	0	2,270
0	0	0	0	0	0	0
0	162,621	0	0	161,566	0	0
0	0	0	0	0	0	0
0	677,989	0	0	919,860	0	0
0	3,199	0	0	0	0	0
<u>344,867</u>	<u>1,030,816</u>	<u>15,954</u>	<u>1,200</u>	<u>1,081,426</u>	<u>0</u>	<u>2,270</u>
<u>(169,280)</u>	<u>(26,935)</u>	<u>22,383</u>	<u>1,493</u>	<u>135,988</u>	<u>29,805</u>	<u>1,362</u>
0	0	4,814	0	0	0	0
150,000	0	0	0	0	0	0
0	(84,181)	0	0	0	0	0
<u>150,000</u>	<u>(84,181)</u>	<u>4,814</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
(19,280)	(111,116)	27,197	1,493	135,988	29,805	1,362
23,365	83,381	43,874	5,094	320,287	351,569	6,190
0	0	0	0	0	0	0
<u>\$4,085</u>	<u>(\$27,735)</u>	<u>\$71,071</u>	<u>\$6,587</u>	<u>\$456,275</u>	<u>\$381,374</u>	<u>\$7,552</u>

- Continued -

City of Fairborn, Ohio
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Fiscal Year Ended December 31, 2007

	Federal Forfeitures	Municipal Probation Services	Uninsured Loss	Total Nonmajor Special Revenue Funds
Revenues:				
Taxes	\$0	\$0	\$0	\$1,955,324
Fines, Licenses & Permits	0	94,131	0	147,373
Charges for Services	0	0	5,692	31,836
Investment Earnings	13,438	0	0	126,172
Intergovernmental	3,312	0	0	2,109,658
Other Revenues	60,762	0	6,003	124,307
Total Revenues	77,512	94,131	11,695	4,494,670
Expenditures:				
Current:				
General Government	0	0	11,856	11,856
Public Safety	19,629	58,975	0	736,596
Community Development	0	0	0	337,383
Transportation and Street Repair	0	0	0	1,241,097
Public Health and Welfare	0	0	0	104,930
Capital Outlay	99,926	0	13,670	1,805,629
Debt Service:				
Interest and Fiscal Charges	0	0	0	3,199
Total Expenditures	119,555	58,975	25,526	4,240,690
Excess of Revenues Over (Under) Expenditures	(42,043)	35,156	(13,831)	253,980
Other Financing Sources (Uses):				
Proceeds from Sale of Capital Assets	0	0	0	5,930
Transfers In	0	0	0	276,148
Transfers (Out)	0	0	0	(97,481)
Total Other Financing Sources (Uses)	0	0	0	184,597
Net Change in Fund Balance	(42,043)	35,156	(13,831)	438,577
Fund Balance Beginning of Year, Restated	233,545	310,398	144,467	2,368,417
Change in Reserve for Inventory	0	0	0	(21,538)
Fund Balance End of Year	\$191,502	\$345,554	\$130,636	\$2,785,456



City of Fairborn, Ohio
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Nonmajor Capital Projects Funds
For the Fiscal Year Ended December 31, 2007

	Issue II Improvement	Municipal Court Improvement	Court Special Projects	General Capital Improvement	Parks and Recreation Improvements
Revenues:					
Taxes	\$0	\$0	\$0	\$0	\$71,511
Fines, Licenses & Permits	0	196,968	130,213	0	0
Charges for Services	0	0	0	0	21,658
Investment Earnings	0	0	0	22,740	18,640
Intergovernmental	0	0	0	0	17,755
Special Assessments	0	0	0	0	0
Other Revenues	0	0	0	1,050	847
Total Revenues	0	196,968	130,213	23,790	130,411
Expenditures:					
Current:					
General Government	0	137,216	15,569	42,387	0
Leisure Time Activities	0	0	0	0	5,636
Transportation and Street Repair	87,509	0	0	0	0
Capital Outlay	0	60,577	0	173,014	91,480
Debt Service:					
Principal Retirement	0	0	86,847	30,000	0
Interest and Fiscal Charges	0	0	32,034	4,236	0
Total Expenditures	87,509	197,793	134,450	249,637	97,116
Excess of Revenues Over (Under) Expenditures	(87,509)	(825)	(4,237)	(225,847)	33,295
Other Financing Sources (Uses):					
Proceeds from Sale of Capital Assets	0	0	0	9,079	0
Issuance of Long-Term Capital-Related Debt	0	0	0	0	0
Transfers In	84,181	0	0	154,990	0
Total Other Financing Sources (Uses)	84,181	0	0	164,069	0
Net Change in Fund Balance	(3,328)	(825)	(4,237)	(61,778)	33,295
Fund Balance Beginning of Year, Restated	0	112,783	40,413	457,475	249,936
Fund Balance End of Year	(\$3,328)	\$111,958	\$36,176	\$395,697	\$283,231

Building and Land	Special Assessment Construction	Total Nonmajor Capital Projects Funds
\$0	\$0	\$71,511
0	0	327,181
0	0	21,658
80	0	41,460
0	0	17,755
0	77,255	77,255
1,863	13,226	16,986
1,943	90,481	573,806
19,237	10,299	224,708
0	0	5,636
0	0	87,509
50,348	338,455	713,874
100,000	0	216,847
24,808	40,980	102,058
194,393	389,734	1,350,632
(192,450)	(299,253)	(776,826)
0	0	9,079
0	451,318	451,318
212,516	0	451,687
212,516	451,318	912,084
20,066	152,065	135,258
147,590	(371,634)	636,563
\$167,656	(\$219,569)	\$771,821



**SCHEDULES OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND
ACTUAL (NON-GAAP BUDGETARY BASIS)**

City of Fairborn, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2007

	Street Maintenance and Repair Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$1,096,122	\$1,126,465	\$30,343
Investment Earnings	0	35,529	35,529
Other Revenues	14,583	2,724	(11,859)
Total Revenues	1,110,705	1,164,718	54,013
Expenditures:			
Current:			
Transportation and Street Repair:			
Street General Administration			
Personnel Services	100,244	94,859	5,385
Contractual Services	68,403	67,720	683
Commodities	3,021	2,677	344
Maintenance and Repairs			
Personnel Services	336,124	287,207	48,917
Contractual Services	2,714	1,650	1,064
Commodities	176,091	172,686	3,405
Traffic Signs and Signals			
Personnel Services	119,939	92,447	27,492
Contractual Services	48,616	48,067	549
Commodities	40,002	28,420	11,582
Capital Outlay	197,729	185,161	12,568
Total Expenditures	1,092,883	980,894	111,989
Excess of Revenues Over (Under) Expenditures	17,822	183,824	166,002
Other Financing Sources (Uses):			
Proceeds from Sale of Capital Assets	500	1,116	616
Transfers (Out)	(13,300)	(13,300)	0
Total Other Financing Sources (Uses)	(12,800)	(12,184)	616
Net Change in Fund Balance	5,022	171,640	166,618
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	508,533	508,533	0
Fund Balance End of Year	\$513,555	\$680,173	\$166,618

City of Fairborn, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2007

	State Highway Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$88,939	\$91,335	\$2,396
Investment Earnings	0	6,538	6,538
Other Revenues	1,967	193	(1,774)
Total Revenues	90,906	98,066	7,160
Expenditures:			
Current:			
Transportation and Street Repair:			
State Highway Maintenance			
Personnel Services	54,622	43,244	11,378
Contractual Services	5,676	3,617	2,059
Commodities	15,937	14,419	1,518
Total Expenditures	76,235	61,280	14,955
Net Change in Fund Balance	14,671	36,786	22,115
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	70,418	70,418	0
Fund Balance End of Year	\$85,089	\$107,204	\$22,115

City of Fairborn, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2007

	Cemetery Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Charges for Services	\$19,100	\$25,374	\$6,274
Other Revenues	1,962	364	(1,598)
Total Revenues	<u>21,062</u>	<u>25,738</u>	<u>4,676</u>
Expenditures:			
Current:			
Public Health and Welfare:			
Cemetery Operations			
Personnel Services	89,375	85,501	3,874
Contractual Services	12,451	13,383	(932)
Commodities	6,844	5,612	1,232
Capital Outlay	9,000	8,072	928
Total Expenditures	<u>117,670</u>	<u>112,568</u>	<u>5,102</u>
Excess of Revenues Over (Under) Expenditures	<u>(96,608)</u>	<u>(86,830)</u>	<u>9,778</u>
Other Financing Sources (Uses):			
Transfers In	101,145	101,148	3
Total Other Financing Sources (Uses)	<u>101,145</u>	<u>101,148</u>	<u>3</u>
Net Change in Fund Balance	4,537	14,318	9,781
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>4,057</u>	<u>4,057</u>	<u>0</u>
Fund Balance End of Year	<u>\$8,594</u>	<u>\$18,375</u>	<u>\$9,781</u>

City of Fairborn, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2007

	Community Development Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$744,432	\$472,383	(\$272,049)
Other Revenues	6,059	2,903	(3,156)
Total Revenues	750,491	475,286	(275,205)
Expenditures:			
Current:			
Community Development:			
Entitlement Administration			
Personnel Services	42,830	34,605	8,225
Contractual Services	28,630	8,943	19,687
Commodities	5,700	125	5,575
Entitlement Program Income			
Contractual Services	3,500	0	3,500
Entitlement Housing Rehab			
Personnel Services	10,359	7,381	2,978
Contractual Services	15,150	15,511	(361)
Entitlement Emergency Rehab			
Contractual Services	1,500	1,050	450
Code Enforcement			
Personnel Services	52,595	51,054	1,541
Contractual Services	29,805	8,494	21,311
Commodities	20,100	3,961	16,139
Entitlement Fair Housing			
Contractual Services	10,700	3,485	7,215
Commodities	2,043	1,990	53
Chip DPA/Housing Rehab			
Contractual Services	3,700	250	3,450
Chip Owner Occupied Rehab			
Contractual Services	6,200	368	5,832
Tool Lending Closet			
Personnel Services	10,942	10,000	942
Commodities	7,485	658	6,827
Chip Administration			
Personnel Services	3,130	3,029	101
Contractual Services	4,414	415	3,999
Commodities	0	175	(175)
Neighborhood Clean-up Day			
Contractual Services	14,000	5,833	8,167
Planning Study			
Contractual Services	4,000	2,500	1,500
Capital Outlay	82,831	61,925	20,906
Loan Disbursements	390,397	183,135	207,262
Total Expenditures	750,011	404,887	345,124
Net Change in Fund Balance	480	70,399	69,919
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	6,895	6,895	0
Fund Balance End of Year	\$7,375	\$77,294	\$69,919

City of Fairborn, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2007

	Victim Witness Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Fines, Licenses & Permits	\$18,000	\$19,865	\$1,865
Intergovernmental	58,392	58,392	0
Other Revenues	993	466	(527)
Total Revenues	<u>77,385</u>	<u>78,723</u>	<u>1,338</u>
Expenditures:			
Current:			
Public Safety:			
Administration			
Personnel Services	109,009	103,109	5,900
Contractual Services	2,875	1,974	901
Commodities	300	500	(200)
Total Expenditures	<u>112,184</u>	<u>105,583</u>	<u>6,601</u>
Excess of Revenues Over (Under) Expenditures	<u>(34,799)</u>	<u>(26,860)</u>	<u>7,939</u>
Other Financing Sources (Uses):			
Transfers In	25,000	25,000	0
Total Other Financing Sources (Uses)	<u>25,000</u>	<u>25,000</u>	<u>0</u>
Net Change in Fund Balance	(9,799)	(1,860)	7,939
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>13,915</u>	<u>13,915</u>	<u>0</u>
Fund Balance End of Year	<u>\$4,116</u>	<u>\$12,055</u>	<u>\$7,939</u>

City of Fairborn, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2007

	Street Lighting Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Taxes	\$157,977	\$152,656	(\$5,321)
Intergovernmental	16,990	22,931	5,941
Total Revenues	<u>174,967</u>	<u>175,587</u>	<u>620</u>
Expenditures:			
Current:			
Public Safety:			
Street Lighting			
Contractual Services	<u>363,904</u>	<u>360,872</u>	<u>3,032</u>
Total Expenditures	<u>363,904</u>	<u>360,872</u>	<u>3,032</u>
Excess of Revenues Over (Under) Expenditures	<u>(188,937)</u>	<u>(185,285)</u>	<u>3,652</u>
Other Financing Sources (Uses):			
Transfers In	<u>150,000</u>	<u>150,000</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>150,000</u>	<u>150,000</u>	<u>0</u>
Net Change in Fund Balance	(38,937)	(35,285)	3,652
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>41,347</u>	<u>41,347</u>	<u>0</u>
Fund Balance End of Year	<u>\$2,410</u>	<u>\$6,062</u>	<u>\$3,652</u>

City of Fairborn, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2007

	County Motor Vehicle Tax Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Taxes	\$792,689	\$750,288	(\$42,401)
Intergovernmental	218,000	215,838	(2,162)
Investment Earnings	0	15,211	15,211
Other Revenues	13,800	9,862	(3,938)
Total Revenues	<u>1,024,489</u>	<u>991,199</u>	<u>(33,290)</u>
Expenditures:			
Current:			
Transportation and Street Repair:			
Street Tax Levy			
Contractual Services	17,490	19,220	(1,730)
Capital Outlay	829,884	820,022	9,862
Debt Service:			
Principal Retirement	36,765	36,765	0
Interest and Fiscal Charges	3,199	3,199	0
Total Expenditures	<u>887,338</u>	<u>879,206</u>	<u>8,132</u>
Excess of Revenues Over (Under) Expenditures	<u>137,151</u>	<u>111,993</u>	<u>(25,158)</u>
Other Financing Sources (Uses):			
Transfers (Out)	<u>(163,800)</u>	<u>(84,181)</u>	<u>79,619</u>
Total Other Financing Sources (Uses)	<u>(163,800)</u>	<u>(84,181)</u>	<u>79,619</u>
Net Change in Fund Balance	(26,649)	27,812	54,461
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>104,135</u>	<u>104,135</u>	<u>0</u>
Fund Balance End of Year	<u>\$77,486</u>	<u>\$131,947</u>	<u>\$54,461</u>

City of Fairborn, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2007

	Law Enforcement Trust Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Other Revenues	\$10,400	\$38,337	\$27,937
Total Revenues	10,400	38,337	27,937
Expenditures:			
Current:			
Public Safety:			
Safety City			
Personnel Services	1,966	1,956	10
Contractual Services	6,200	5,548	652
Commodities	12,000	8,065	3,935
Total Expenditures	20,166	15,569	4,597
Excess of Revenues Over (Under) Expenditures	(9,766)	22,768	32,534
Other Financing Sources (Uses):			
Proceeds from Sale of Capital Assets	5,000	4,814	(186)
Total Other Financing Sources (Uses)	5,000	4,814	(186)
Net Change in Fund Balance	(4,766)	27,582	32,348
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	43,874	43,874	0
Fund Balance End of Year	\$39,108	\$71,456	\$32,348

City of Fairborn, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2007

	Drug Law Enforcement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Other Revenues	\$2,600	\$2,763	\$163
Total Revenues	2,600	2,763	163
Expenditures:			
Current:			
Public Safety:			
Drug Law Enforcement			
Commodities	1,200	1,200	0
Total Expenditures	1,200	1,200	0
Net Change in Fund Balance	1,400	1,563	163
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	4,899	4,899	0
Fund Balance End of Year	\$6,299	\$6,462	\$163

City of Fairborn, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2007

	City Motor Vehicle License Tax Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Taxes	\$1,176,754	\$1,034,394	(\$142,360)
Intergovernmental	136,000	131,695	(4,305)
Investment Earnings	0	35,365	35,365
Total Revenues	<u>1,312,754</u>	<u>1,201,454</u>	<u>(111,300)</u>
Expenditures:			
Current:			
Transportation and Street Repair:			
Street Tax Levy			
Contractual Services	33,333	42,081	(8,748)
Capital Outlay	<u>1,260,154</u>	<u>1,257,240</u>	<u>2,914</u>
Total Expenditures	<u>1,293,487</u>	<u>1,299,321</u>	<u>(5,834)</u>
Net Change in Fund Balance	19,267	(97,867)	(117,134)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>339,097</u>	<u>339,097</u>	<u>0</u>
Fund Balance End of Year	<u>\$358,364</u>	<u>\$241,230</u>	<u>(\$117,134)</u>

City of Fairborn, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2007

	Indigent Drivers Alcohol Treatment Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Fines, Licenses & Permits	\$24,750	\$30,159	\$5,409
Total Revenues	24,750	30,159	5,409
Expenditures:			
Current:			
Public Safety:			
Law Enforcement			
Contractual Services	25,000	0	25,000
Total Expenditures	25,000	0	25,000
Net Change in Fund Balance	(250)	30,159	30,409
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	350,556	350,556	0
Fund Balance End of Year	\$350,306	\$380,715	\$30,409

City of Fairborn, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2007

	Alcohol Enforcement and Education Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Fines, Licenses & Permits	\$3,100	\$3,617	\$517
Total Revenues	3,100	3,617	517
Expenditures:			
Current:			
Public Safety:			
Law Enforcement			
Contractual Services	750	0	750
Commodities	2,300	2,326	(26)
Total Expenditures	3,050	2,326	724
Net Change in Fund Balance	50	1,291	1,241
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	6,054	6,054	0
Fund Balance End of Year	\$6,104	\$7,345	\$1,241

City of Fairborn, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2007

	Federal Forfeitures Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$4,000	\$3,312	(\$688)
Investment Earnings	0	11,043	11,043
Other Revenues	65,000	60,762	(4,238)
Total Revenues	69,000	75,117	6,117
Expenditures:			
Current:			
Public Safety:			
Law Enforcement			
Contractual Services	1,930	4,375	(2,445)
Commodities	18,500	15,254	3,246
Capital Outlay	209,105	99,926	109,179
Total Expenditures	229,535	119,555	109,980
Net Change in Fund Balance	(160,535)	(44,438)	116,097
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	233,545	233,545	0
Fund Balance End of Year	\$73,010	\$189,107	\$116,097

City of Fairborn, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2007

	Municipal Probation Services Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Fines, Licenses & Permits	\$88,500	\$94,955	\$6,455
Other Revenues	716	0	(716)
Total Revenues	<u>89,216</u>	<u>94,955</u>	<u>5,739</u>
Expenditures:			
Current:			
Public Safety:			
Law Enforcement			
Personnel Services	85,848	56,182	29,666
Contractual Services	1,800	0	1,800
Commodities	500	460	40
Capital Outlay	<u>12,500</u>	<u>0</u>	<u>12,500</u>
Total Expenditures	<u>100,648</u>	<u>56,642</u>	<u>44,006</u>
Net Change in Fund Balance	(11,432)	38,313	49,745
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>305,645</u>	<u>305,645</u>	<u>0</u>
Fund Balance End of Year	<u>\$294,213</u>	<u>\$343,958</u>	<u>\$49,745</u>

City of Fairborn, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2007

	Uninsured Loss Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Other Revenues	\$20,000	\$13,415	(\$6,585)
Total Revenues	20,000	13,415	(6,585)
Expenditures:			
Current:			
General Government:			
Uninsured Loss			
Contractual Services	25,000	12,680	12,320
Commodities	0	659	(659)
Capital Outlay	15,897	13,670	2,227
Total Expenditures	40,897	27,009	13,888
Net Change in Fund Balance	(20,897)	(13,594)	7,303
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	137,055	137,055	0
Fund Balance End of Year	\$116,158	\$123,461	\$7,303

City of Fairborn, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2007

	General Bond Retirement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Taxes	\$154,000	\$147,082	(\$6,918)
Intergovernmental	0	13,394	13,394
Special Assessments	360,000	400,773	40,773
Investment Earnings	20,000	0	(20,000)
Total Revenues	<u>534,000</u>	<u>561,249</u>	<u>27,249</u>
Expenditures:			
Current:			
General Government:			
Special Assessments			
Contractual Services	32,909	28,492	4,417
Debt Service:			
Principal Retirement	420,776	419,514	1,262
Interest and Fiscal Charges	128,809	128,809	0
Total Expenditures	<u>582,494</u>	<u>576,815</u>	<u>5,679</u>
Excess of Revenues Over (Under) Expenditures	<u>(48,494)</u>	<u>(15,566)</u>	<u>32,928</u>
Other Financing Sources (Uses):			
Issuance of Short-Term Notes	0	5,201	5,201
Total Other Financing Sources (Uses)	<u>0</u>	<u>5,201</u>	<u>5,201</u>
Net Change in Fund Balance	(48,494)	(10,365)	38,129
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>379,524</u>	<u>379,524</u>	<u>0</u>
Fund Balance End of Year	<u>\$331,030</u>	<u>\$369,159</u>	<u>\$38,129</u>

City of Fairborn, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2007

	Issue II Improvement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Fines, Licenses & Permits	\$41,800	\$0	(\$41,800)
Total Revenues	41,800	0	(41,800)
Expenditures:			
Current:			
Transportation & Street Repair:			
Issue II Improvements			
Contractual Services	116,790	116,790	0
Capital Outlay	10	0	10
Total Expenditures	116,800	116,790	10
Excess of Revenues Over (Under) Expenditures	(75,000)	(116,790)	(41,790)
Other Financing Sources (Uses):			
Transfers In	75,000	84,181	9,181
Total Other Financing Sources (Uses)	75,000	84,181	9,181
Net Change in Fund Balance	0	(32,609)	(32,609)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	0	0	0
Fund Balance End of Year	\$0	(\$32,609)	(\$32,609)

City of Fairborn, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2007

	Municipal Court Improvement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Fines, Licenses & Permits	\$155,000	\$197,327	\$42,327
Other Revenues	670	0	(670)
Total Revenues	<u>155,670</u>	<u>197,327</u>	<u>41,657</u>
Expenditures:			
Current:			
General Government:			
Municipal Court Capital			
Personnel Services	100,131	98,726	1,405
Contractual Services	33,622	29,614	4,008
Commodities	0	3,748	(3,748)
Capital Outlay	<u>60,956</u>	<u>60,680</u>	<u>276</u>
Total Expenditures	<u>194,709</u>	<u>192,768</u>	<u>1,941</u>
Net Change in Fund Balance	(39,039)	4,559	43,598
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>106,517</u>	<u>106,517</u>	<u>0</u>
Fund Balance End of Year	<u>\$67,478</u>	<u>\$111,076</u>	<u>\$43,598</u>

City of Fairborn, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2007

	Court Special Projects Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Fines, Licenses & Permits	\$100,000	\$130,575	\$30,575
Total Revenues	100,000	130,575	30,575
Expenditures:			
Current:			
General Government:			
Court Special Projects			
Contractual Services	134,450	134,450	0
Total Expenditures	134,450	134,450	0
Excess of Revenues Over (Under) Expenditures	(34,450)	(3,875)	30,575
Other Financing Sources (Uses):			
Transfers In	34,000	0	(34,000)
Total Other Financing Sources (Uses)	34,000	0	(34,000)
Net Change in Fund Balance	(450)	(3,875)	(3,425)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	32,052	32,052	0
Fund Balance End of Year	\$31,602	\$28,177	(\$3,425)

City of Fairborn, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended December 31, 2007

	General Capital Improvement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Investment Earnings	\$2,000	\$18,508	\$16,508
Other Revenues	0	1,050	1,050
Total Revenues	2,000	19,558	17,558
Expenditures:			
Current:			
General Government:			
General Capital Improvement			
Contractual Services	110,170	41,346	68,824
Capital Outlay	345,826	188,999	156,827
Debt Service:			
Principal Retirement	30,000	30,000	0
Interest and Fiscal Charges	4,500	4,500	0
Total Expenditures	490,496	264,845	225,651
Excess of Revenues Over (Under) Expenditures	(488,496)	(245,287)	243,209
Other Financing Sources (Uses):			
Proceeds from Sale of Capital Assets	15,000	9,079	(5,921)
Issuance of Long-Term Capital-Related Debt	30,000	43,364	13,364
Transfers In	153,042	154,990	1,948
Total Other Financing Sources (Uses)	198,042	207,433	9,391
Net Change in Fund Balance	(290,454)	(37,854)	252,600
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	470,801	470,801	0
Fund Balance End of Year	\$180,347	\$432,947	\$252,600

City of Fairborn, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2007

	Parks and Recreation Improvements Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Taxes	\$100,000	\$79,925	(\$20,075)
Fines, Licenses & Permits	5,000	0	(5,000)
Intergovernmental	13,200	17,755	4,555
Charges for Services	20,800	22,212	1,412
Investment Earnings	0	15,318	15,318
Other Revenues	0	421	421
Total Revenues	<u>139,000</u>	<u>135,631</u>	<u>(3,369)</u>
Expenditures:			
Current:			
Leisure Time Activities:			
Parks and Recreation Improvements			
Contractual Services	1,400	1,309	91
Commodities	1,000	1,041	(41)
Capital Outlay	<u>118,500</u>	<u>94,280</u>	<u>24,220</u>
Total Expenditures	<u>120,900</u>	<u>96,630</u>	<u>24,270</u>
Net Change in Fund Balance	18,100	39,001	20,901
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>216,345</u>	<u>216,345</u>	<u>0</u>
Fund Balance End of Year	<u>\$234,445</u>	<u>\$255,346</u>	<u>\$20,901</u>

City of Fairborn, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2007

	Building and Lands Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Other Revenues	\$0	\$1,863	\$1,863
Total Revenues	0	1,863	1,863
Expenditures:			
Current:			
General Government:			
Building and Land			
Contractual Services	20,543	7,922	12,621
Commodities	4,210	8,910	(4,700)
Capital Outlay	130,147	59,180	70,967
Debt Service:			
Principal Retirement	100,000	100,000	0
Interest and Fiscal Charges	24,808	24,808	0
Total Expenditures	279,708	200,820	78,888
Excess of Revenues Over (Under) Expenditures	(279,708)	(198,957)	80,751
Other Financing Sources (Uses):			
Transfers In	209,614	212,516	2,902
Total Other Financing Sources (Uses)	209,614	212,516	2,902
Net Change in Fund Balance	(70,094)	13,559	83,653
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	148,488	148,488	0
Fund Balance End of Year	\$78,394	\$162,047	\$83,653

City of Fairborn, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2007

	Special Assessment Construction Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Special Assessments	\$210,000	\$207,780	(\$2,220)
Other Revenues	0	13,226	13,226
Total Revenues	210,000	221,006	11,006
Expenditures:			
Current:			
General Government:			
Special Assessment Construction			
Contractual Services	10,101	9,637	464
Commodities	22	0	22
Capital Outlay	467,021	338,455	128,566
Debt Service:			
Principal Retirement	700,000	700,000	0
Interest and Fiscal Charges	46,838	46,838	0
Total Expenditures	1,223,982	1,094,930	129,052
Excess of Revenues Over (Under) Expenditures	(1,013,982)	(873,924)	140,058
Other Financing Sources (Uses):			
Issuance of Long-Term Capital-Related Debt	451,318	451,318	0
Issuance of Short-Term Notes	370,000	370,088	88
Total Other Financing Sources (Uses)	821,318	821,406	88
Net Change in Fund Balance	(192,664)	(52,518)	140,146
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	200,742	200,742	0
Fund Balance End of Year	\$8,078	\$148,224	\$140,146

City of Fairborn, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2007

	Public Safety Equipment / Facility Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Taxes	\$1,830,569	\$1,812,126	(\$18,443)
Intergovernmental	272,861	0	(272,861)
Charges for Services	58,500	16,004	(42,496)
Investment Earnings	19,000	165,282	146,282
Other Revenues	25,884	1,970	(23,914)
Total Revenues	<u>2,206,814</u>	<u>1,995,382</u>	<u>(211,432)</u>
Expenditures:			
Current:			
General Government:			
EMS Tax Levy			
Contractual Services	267,224	207,246	59,978
Commodities	36,335	43,431	(7,096)
Capital Outlay	2,602,383	2,564,425	37,958
Debt Service:			
Principal Retirement	3,460,000	3,460,000	0
Interest and Fiscal Charges	460,815	437,578	23,237
Total Expenditures	<u>6,826,757</u>	<u>6,712,680</u>	<u>114,077</u>
Excess of Revenues Over (Under) Expenditures	<u>(4,619,943)</u>	<u>(4,717,298)</u>	<u>(97,355)</u>
Other Financing Sources (Uses):			
Issuance of Short-Term Notes	500,000	502,170	2,170
Transfers In	71,000	329,835	258,835
Total Other Financing Sources (Uses)	<u>571,000</u>	<u>832,005</u>	<u>261,005</u>
Net Change in Fund Balance	(4,048,943)	(3,885,293)	163,650
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>3,718,160</u>	<u>3,718,160</u>	<u>0</u>
Fund Balance End of Year	<u>(\$330,783)</u>	<u>(\$167,133)</u>	<u>\$163,650</u>

City of Fairborn, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2007

	Tax Increment Financing Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Taxes	\$75,000	\$80,041	\$5,041
Total Revenues	75,000	80,041	5,041
Expenditures:			
Current:			
General Government:			
Tax Increment Financing			
Contractual Services	8,000	8,000	0
Capital Outlay	5,508	5,508	0
Debt Service:			
Principal Retirement	1,550,000	1,550,000	0
Interest and Fiscal Charges	82,685	82,685	0
Total Expenditures	1,646,193	1,646,193	0
Excess of Revenues Over (Under) Expenditures	(1,571,193)	(1,566,152)	5,041
Other Financing Sources (Uses):			
Issuance of Short-Term Notes	1,575,000	1,570,476	(4,524)
Total Other Financing Sources (Uses)	1,575,000	1,570,476	(4,524)
Net Change in Fund Balance	3,807	4,324	517
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	9,506	9,506	0
Fund Balance End of Year	\$13,313	\$13,830	\$517

FUND DESCRIPTIONS

Internal Service Funds

To account for the financing of goods and services provided by one department to other departments within the City.

Equipment Fund

To account for charges to the other funds for the labor, parts, and overhead to repair and maintain the City equipment and vehicles.

Information Technology Fund

To account for charges to the other funds for Information Technology Services.

Employee Assistance Program

To account for the payment of employee assistance program and other human resource costs associated with employees health and benefits.

Fiduciary Funds

Fiduciary fund types are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds.

Agency Fund

Municipal Court Fund

To account for monies that flow through the Clerk of Courts office.

City of Fairborn, Ohio
Combining Statement of Net Assets
Internal Service Funds
December 31, 2007

	Equipment	Information Technology	Employee Assistance Program	Total Internal Service Funds
Assets:				
Equity in Pooled Cash and Investments	\$99,398	\$9,330	\$434,577	\$543,305
Receivables:				
Accounts	74,228	59	0	74,287
Interest	0	0	118	118
Due from Other Funds	23,982	0	0	23,982
Prepaid Items	978	0	0	978
Inventory	109,415	0	0	109,415
Total Current Assets	308,001	9,389	434,695	752,085
Nondepreciable Capital Assets	0	28,832	0	28,832
Depreciable Capital Assets, Net	152,968	2,621	0	155,589
Total Noncurrent Assets	152,968	31,453	0	184,421
Total Assets	460,969	40,842	434,695	936,506
Liabilities:				
Current Liabilities:				
Accounts Payable	59,250	5,584	0	64,834
Accrued Wages and Benefits	35,198	16,608	0	51,806
Due to Other Funds	179	122	0	301
Long-Term Liabilities Due Within One Year	35,183	4,129	0	39,312
Total Current Liabilities	129,810	26,443	0	156,253
Long-Term Liabilities:				
Compensated Absences	14,311	5,366	0	19,677
Total Noncurrent Liabilities	14,311	5,366	0	19,677
Total Liabilities	144,121	31,809	0	175,930
Net Assets:				
Invested in Capital Assets, Net of Related Debt	152,968	31,453	0	184,421
Unrestricted	163,880	(22,420)	434,695	576,155
Total Net Assets	\$316,848	\$9,033	\$434,695	\$760,576

City of Fairborn, Ohio
Combining Statement of Revenues, Expenses
and Changes in Fund Net Assets
Internal Service Funds
For the Fiscal Year Ended December 31, 2007

	Equipment	Information Technology	Employee Assistance Program	Total Internal Service Funds
Operating Revenues:				
Fines, Licenses & Permits	\$0	\$409,973	\$0	\$409,973
Charges for Services	1,173,265	0	0	1,173,265
Other Revenues	0	1,334	0	1,334
Total Operating Revenues	1,173,265	411,307	0	1,584,572
Operating Expenses:				
Personal Services	516,360	236,029	0	752,389
Contractual Services	46,080	143,199	8,629	197,908
Materials and Supplies	712,814	34,053	0	746,867
Depreciation	17,964	1,048	0	19,012
Total Operating Expenses	1,293,218	414,329	8,629	1,716,176
Operating Income (Loss)	(119,953)	(3,022)	(8,629)	(131,604)
Non-Operating Revenues (Expenses):				
Investment Earnings	0	0	21,604	21,604
Gain (Loss) on Disposal of Capital Assets	1,570	0	0	1,570
Total Non-Operating Revenues (Expenses)	1,570	0	21,604	23,174
Income (Loss) Before Contributions and Transfers	(118,383)	(3,022)	12,975	(108,430)
Capital Grants and Contributions	18,815	0	0	18,815
Change in Net Assets	(99,568)	(3,022)	12,975	(89,615)
Net Assets Beginning of Year	416,416	12,055	421,720	850,191
Net Assets End of Year	\$316,848	\$9,033	\$434,695	\$760,576

City of Fairborn, Ohio
Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended December 31, 2007

	Equipment	Information Technology	Employee Assistance Program	Total Internal Service Funds
Cash Flows from Operating Activities:				
Cash Received from Customers	\$1,116,875	\$411,248	\$0	\$1,528,123
Cash Payments to Employees	(507,187)	(226,581)	0	(733,768)
Cash Payments to Suppliers	(761,522)	(176,571)	(8,629)	(946,722)
Net Cash Provided (Used) by Operating Activities	(151,834)	8,096	(8,629)	(152,367)
Cash Flows from Capital and Related Financing Activities:				
Payments for Capital Acquisitions	0	(28,832)	0	(28,832)
Proceeds from the Sale of Capital Assets	1,570	0	0	1,570
Net Cash Provided (Used) by Capital and Related Financing Activities	1,570	(28,832)	0	(27,262)
Cash Flows from Investing Activities:				
Earnings on Investments	0	0	21,553	21,553
Net Cash Provided (Used) by Cash Flows from Investing Activities	0	0	21,553	21,553
Net Increase (Decrease) in Cash and Cash Equivalents	(150,264)	(20,736)	12,924	(158,076)
Cash and Cash Equivalents Beginning of Year	249,662	30,066	421,653	701,381
Cash and Cash Equivalents End of Year	99,398	9,330	434,577	543,305
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Operating Income (Loss)	(119,953)	(3,022)	(8,629)	(131,604)
Adjustments:				
Depreciation	17,964	1,048	0	19,012
Changes in Assets & Liabilities:				
(Increase) Decrease in Receivables	(50,134)	(59)	0	(50,193)
(Increase) Decrease in Inventory	(3,769)	0	0	(3,769)
(Increase) Decrease in Due From Other Funds	(5,557)	0	0	(5,557)
(Increase) Decrease in Prepaid Items	106	0	0	106
Increase (Decrease) in Accrued Wages and Benefits	6,057	6,295	0	12,352
Increase (Decrease) in Compensated Absences	3,116	3,153	0	6,269
Increase (Decrease) in Due to Other Funds	101	33	0	134
Increase (Decrease) in Payables	235	648	0	883
Net Cash Provided (Used) by Operating Activities	(\$151,834)	\$8,096	(\$8,629)	(\$152,367)
Schedule of Noncash Investing, Capital and Financing Activities:				
During the fiscal year, these amounts were received representing noncash contributions of:				
Fair value of investments decreased	\$0	\$0	\$227	\$227

City of Fairborn, Ohio
Statement of Changes In Assets and Liabilities
Agency Fund
For the Fiscal Year Ended December 31, 2007

	Municipal Court			
	Beginning Balance	Additions	Deductions	Ending Balance
Assets:				
Equity in Pooled Cash and Investments	\$403,648	\$3,795,970	\$3,772,489	\$427,129
Total Assets	<u>403,648</u>	<u>3,795,970</u>	<u>3,772,489</u>	<u>427,129</u>
Liabilities:				
Undistributed Monies	403,648	3,795,970	3,772,489	427,129
Total Liabilities	<u>\$403,648</u>	<u>\$3,795,970</u>	<u>\$3,772,489</u>	<u>\$427,129</u>



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STATISTICAL SECTION

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

Contents

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Economic and Demographic Information

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

Operating Information

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

Sources

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



City of Fairborn
Net Assets by Component
Last Six Calendar Years (1)
(accrual basis of accounting)
Schedule 1

	Calendar Year					
	2002	2003	2004	2005	2006	2007
Governmental Activities						
Invested in Capital Assets,						
Net of Related Debt	\$54,620,618	\$51,699,260	\$53,449,082	\$53,703,616	\$52,488,251	\$53,485,159
Restricted	2,288,050	8,908,087	7,825,897	5,536,261	9,740,033	7,524,444
Unrestricted	8,904,252	4,827,281	5,471,500	7,725,904	5,223,383	9,007,506
Total governmental activities net assets	\$65,812,920	\$65,434,628	\$66,746,479	\$66,965,781	\$67,451,667	\$70,017,109
Business-type activities						
Invested in Capital Assets,						
Net of Related Debt	\$6,384,413	\$8,410,344	\$9,532,806	\$9,458,159	\$10,090,771	\$9,928,349
Unrestricted	7,465,721	5,979,615	6,425,634	7,517,353	6,670,119	7,019,040
Total business-type activities net assets	\$13,850,134	\$14,389,959	\$15,958,440	\$16,975,512	\$16,760,890	\$16,947,389
Total Primary Government						
Invested in Capital Assets,						
Restricted	\$61,005,031	\$60,109,604	\$62,981,888	\$63,161,775	\$62,579,022	\$63,413,508
Unrestricted	2,288,050	8,908,087	7,825,897	5,536,261	9,740,033	7,524,444
Unrestricted	16,369,973	10,806,896	11,897,134	15,243,257	11,893,502	16,026,546
Total primary government net assets	\$79,663,054	\$79,824,587	\$82,704,919	\$83,941,293	\$84,212,557	\$86,964,498

Source: City Records

(1) - The City began to report accrual information when it implemented GASB Statement 34 in calendar year 2002.

City of Fairborn
Changes in Net Assets
Last Six Calendar Years (1)
(accrual basis of accounting)
Schedule 2

	Calendar Year					
	2002	2003	2004	2005	2006	2007
Expenses						
Governmental Activities:						
General Government	\$7,051,733	\$7,913,833	\$7,992,100	\$9,772,999	\$10,850,767	\$9,425,790
Public Safety	10,224,571	10,411,559	10,864,285	11,379,893	13,282,937	12,753,371
Leisure Time Activities	192,053	204,881	217,512	257,014	486,746	300,073
Community Development	876,786	924,385	895,745	1,080,955	1,147,616	1,042,518
Transportation and Street Repair	960,594	962,684	878,685	1,187,932	1,214,199	1,391,534
Public Health and Welfare	170,269	161,312	161,299	172,154	109,854	103,575
Interest and Fiscal Charges	227,385	243,382	226,575	663,995	598,655	726,456
Total governmental activities expenses	19,703,391	20,822,036	21,236,201	24,514,942	27,690,774	25,743,317
Business-type activities:						
Water	2,681,226	2,528,612	2,624,043	3,204,297	3,038,417	3,289,099
Sewer	3,657,890	3,408,437	3,158,600	4,535,248	5,155,747	4,514,767
Sanitation	1,784,814	2,025,971	1,946,026	2,027,626	2,054,612	2,523,416
Total business-type activities expenses	8,123,930	7,963,020	7,728,669	9,767,171	10,248,776	10,327,282
Total primary government expenses	\$27,827,321	\$28,785,056	\$28,964,870	\$34,282,113	\$37,939,550	\$36,070,599
Program Revenues						
Governmental Activities:						
Charges for Services and Sales:						
General Government	\$3,710,434	\$3,718,960	\$3,926,762	\$4,113,140	\$4,804,288	\$4,255,380
Public Safety	1,146,719	1,175,583	1,285,022	1,313,898	1,498,951	1,637,736
Leisure Time Activities	61,701	59,699	55,506	60,430	65,446	64,074
Community Development	252,513	313,328	297,960	292,286	254,979	279,014
Transportation and Street Repair	0	0	0	0	0	897
Public Health and Welfare	29,575	30,715	28,829	34,073	32,022	29,696
Operating Grants and Contributions	1,649,218	775,560	2,417,960	2,274,918	2,504,549	2,910,842
Capital Grants and Contributions	544,854	888,166	2,063,689	528,654	2,186,866	672,689
Total governmental activities program revenues	7,395,014	6,962,011	10,075,728	8,617,399	11,347,101	9,850,328
Business-type activities:						
Charges for Services and Sales:						
Water	2,584,278	2,607,726	2,836,439	2,805,354	2,759,818	2,975,569
Sewer	4,006,321	4,006,820	4,433,028	4,594,321	4,840,354	4,944,647
Sanitation	1,903,751	1,878,380	2,005,865	2,010,264	2,144,265	2,246,696
Total business-type activities program revenues	8,494,350	8,492,926	9,275,332	9,409,939	9,744,437	10,166,912
Total primary government program revenues	\$15,889,364	\$15,454,937	\$19,351,060	\$18,027,338	\$21,091,538	\$20,017,240

City of Fairborn
Changes in Net Assets
Last Six Calendar Years (1)
(accrual basis of accounting)
Schedule 2 (Continued)

	Calendar Year					
	2002	2003	2004	2005	2006	2007
Net (Expense)/Revenue						
Governmental Activities	(\$12,308,377)	(\$13,860,025)	(\$11,160,473)	(\$15,897,543)	(\$16,343,673)	(\$15,892,989)
Business-type activities	370,420	529,906	1,546,663	(357,232)	(504,339)	(160,370)
Total primary government net expenses	<u>(\$11,937,957)</u>	<u>(\$13,330,119)</u>	<u>(\$9,613,810)</u>	<u>(\$16,254,775)</u>	<u>(\$16,848,012)</u>	<u>(\$16,053,359)</u>
General Revenues and Other Changes in Net Assets						
Governmental Activities:						
Income Taxes	\$5,488,820	\$6,534,126	\$6,293,807	\$9,478,816	\$8,985,856	\$11,791,441
Property Taxes Levied for:						
General Purposes	2,405,119	2,425,051	2,913,868	2,900,527	2,458,468	2,174,289
Special Revenue Purposes	162,637	162,112	180,544	192,806	2,303,320	564,276
Debt Service Purposes	155,383	89,952	151,616	157,749	160,196	146,175
Capital Projects Purposes	92,417	95,147	91,998	89,878	80,359	159,966
Grants and Entitlements not						
Restricted to Specific Programs	3,176,277	3,456,098	1,832,128	1,917,607	1,432,939	2,357,094
Unrestricted Contributions	0	0	0	0	60,711	0
Investment Earnings	372,162	240,579	241,769	712,500	895,623	1,048,527
Refunds and Reimbursements	0	0	0	0	219,905	0
Other Revenues	689,280	479,904	788,312	860,658	240,363	227,875
Transfers-Internal Activities	0	(21,136)	(21,818)	(11,614)	(8,181)	(11,212)
Special Item: Sale of Stock	559,980	0	0	0	0	0
Total governmental activities	<u>13,102,075</u>	<u>13,461,833</u>	<u>12,472,224</u>	<u>16,298,927</u>	<u>16,829,559</u>	<u>18,458,431</u>
Business-type activities:						
Investment earnings	0	0	0	0	184,557	259,186
Other Revenues	0	0	0	0	96,979	76,471
Transfers-Internal Activities	0	21,136	21,818	11,614	8,181	11,212
Total business-type activities	<u>0</u>	<u>21,136</u>	<u>21,818</u>	<u>11,614</u>	<u>289,717</u>	<u>346,869</u>
Total primary government	<u>\$13,102,075</u>	<u>\$13,482,969</u>	<u>\$12,494,042</u>	<u>\$16,310,541</u>	<u>\$17,119,276</u>	<u>\$18,805,300</u>
Change in Net Assets						
Governmental Activities	\$793,698	(\$398,192)	\$1,311,751	\$401,384	\$485,886	\$2,565,442
Business-type activities	370,420	551,042	1,568,481	(345,618)	(214,622)	186,499
Total primary government	<u>\$1,164,118</u>	<u>\$152,850</u>	<u>\$2,880,232</u>	<u>\$55,766</u>	<u>\$271,264</u>	<u>\$2,751,941</u>

Source: City Records

(1) - The City began to report accrual information when it implemented GASB Statement 34 in calendar year 2002.



City of Fairborn
Fund Balances, Governmental Funds
Last Ten Calendar Years
(modified accrual basis of accounting)
Schedule 3

	Calendar Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
General Fund										
Reserved	\$331,417	\$507,791	\$228,371	\$177,974	\$568,219	\$245,934	\$217,896	\$168,628	\$245,018	\$134,360
Unreserved	3,759,092	3,826,254	4,462,869	4,895,298	4,005,389	3,790,060	3,776,580	4,641,173	5,202,888	5,577,044
Total General Fund	4,090,509	4,334,045	4,691,240	5,073,272	4,573,608	4,035,994	3,994,476	4,809,801	5,447,906	5,711,404
All Other Governmental Funds										
Reserved	1,076,733	950,024	1,699,671	1,248,572	1,115,820	1,507,275	743,955	2,188,633	1,916,625	747,853
Unreserved, Reported in:										
Special Revenue Funds	828,333	658,910	816,257	689,825	1,135,057	1,118,846	1,100,078	1,026,335	2,500,629	2,342,636
Debt Service Funds	0	0	0	0	0	0	0	0	380,838	369,454
Capital Projects Funds	96,269	808,882	164,678	511,614	307,038	978,497	1,051,916	7,144,789	(1,980,179)	(899,905)
Total all Other Governmental Funds	\$2,001,335	\$2,417,816	\$2,680,606	\$2,450,011	\$2,557,915	\$3,604,618	\$2,895,949	\$10,359,757	\$2,817,913	\$2,560,038

Source: City Records

City of Fairborn
Changes in Fund Balances, Governmental Funds
Last Ten Calendar Years
(modified accrual basis of accounting)
Schedule 4

	Calendar Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Revenues:										
Taxes	\$8,051,168	\$8,189,785	\$8,735,721	\$8,765,407	\$8,993,618	\$9,341,627	\$9,430,916	\$12,748,456	\$14,340,781	\$14,175,271
Fines, Licenses & Permits	1,643,990	1,855,131	1,897,908	1,758,798	1,801,303	1,733,554	1,576,265	1,673,142	1,835,529	1,946,954
Charges for Services	2,117,982	2,588,715	2,527,421	3,240,197	3,368,475	3,552,641	4,017,814	4,140,685	4,257,434	3,943,296
Investment Earnings	625,181	512,422	825,924	668,771	361,252	233,397	235,220	695,348	895,623	1,049,461
Intergovernmental	4,534,099	4,371,334	5,228,410	5,016,154	4,938,871	4,862,993	4,713,476	4,964,424	5,164,926	5,196,126
Special Assessments	489,040	407,699	444,465	469,622	387,253	450,642	325,991	496,664	543,391	477,094
Other Revenues	521,971	401,080	259,730	617,671	599,130	439,315	773,721	811,522	521,639	289,418
Total Revenues	\$17,983,431	\$18,326,166	\$19,919,579	\$20,536,620	\$20,449,902	\$20,614,169	\$21,073,403	\$25,530,241	\$27,559,323	\$27,077,620
Expenditures:										
Current:										
General Government	\$4,658,312	\$5,147,581	\$5,459,244	\$5,509,545	\$5,715,259	\$5,838,931	\$5,835,831	\$6,756,023	\$6,451,186	\$6,043,973
Public Safety	8,094,566	8,575,288	8,865,052	9,685,004	9,868,946	9,976,207	10,329,612	10,912,325	12,564,172	12,254,446
Leisure Time Activities	178,581	176,494	183,547	183,800	161,955	170,123	176,296	195,785	410,110	211,967
Community Development	878,450	962,460	752,221	822,128	818,227	873,993	850,517	1,033,507	1,059,955	1,004,676
Transportation and Street Repair	702,568	766,452	834,842	789,720	899,133	866,139	843,820	1,056,935	1,018,784	1,328,606
Public Health and Welfare	138,598	135,882	142,944	151,234	152,562	155,009	158,972	170,082	89,967	104,930
Capital Outlay	2,237,735	1,657,716	2,348,026	2,608,648	2,743,730	2,469,469	2,990,691	5,632,627	11,390,490	4,252,263
Debt Service:										
Principal Retirement	361,000	421,000	423,000	459,000	426,000	435,000	506,208	1,176,700	1,387,422	1,562,422
Interest and Fiscal Charges	329,906	312,070	311,417	282,674	238,408	241,730	227,380	667,870	626,558	755,436
Total Expenditures	\$17,579,716	\$18,154,943	\$19,320,293	\$20,491,753	\$21,024,220	\$21,026,601	\$21,919,327	\$27,601,854	\$34,998,644	\$27,518,719

City of Fairborn
 Changes in Fund Balances, Governmental Funds
 Last Ten Calendar Years
 (modified accrual basis of accounting)
 Schedule 4 (Continued)

	Calendar Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Excess (Deficiency) of Revenues Over Expenditures	\$403,715	\$171,223	\$599,286	\$44,867	(\$574,318)	(\$412,432)	(\$845,924)	(\$2,071,613)	(\$7,439,321)	(\$441,099)
Other Financing Sources (Uses)										
Premium on Bonds	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$281,454	\$0	\$0
Sale of Notes	0	0	0	0	0	0	62,056	0	0	0
Proceeds from the Sale of Capital Assets	9,621	8,303	17,651	49,465	121,657	31,307	55,451	18,710	65,300	15,237
Issuance of Long-Term Capital-Related Debt	1,770,000	450,000	0	0	0	760,000	275,000	10,000,000	505,000	465,000
Proceeds from Refunding Bonds	0	0	0	1,370,000	0	0	0	0	0	0
Proceeds to Refunding Bond Escrow Agent	0	0	0	(1,349,848)	0	0	0	0	0	0
Transfers In	684,813	961,182	1,139,291	1,180,867	1,505,756	1,897,171	1,248,277	3,057,305	4,077,630	4,127,372
Transfers (Out)	(684,813)	(961,182)	(1,139,291)	(1,180,867)	(1,407,521)	(1,848,307)	(1,170,495)	(3,068,919)	(4,085,811)	(4,138,584)
Issuance of Capital Leases	0	0	0	0	0	0	107,924	42,119	0	0
Total Other Financing Sources (Uses)	1,779,621	458,303	17,651	69,617	219,892	840,171	578,213	10,330,669	562,119	469,025
Net Change in Fund Balances	\$2,183,336	\$629,526	\$616,937	\$114,484	(\$354,426)	\$427,739	(\$267,711)	\$8,259,056	(\$6,877,202)	\$27,926
Debt service as a percentage of noncapital expenditures (1)	4.5%	4.4%	4.3%	4.1%	3.6%	2.0%	2.1%	5.9%	6.6%	5.8%

Source: City Records

(1) - Noncapital expenditures are total expenditures minus expenditures for the acquisition and construction of assets that are classified as capital assets for reporting in the government-wide financial statements.

City of Fairborn
 Assessed Value and Estimated Actual Value of Taxable Property
 Last Ten Collection Years
 Schedule 5

Tax/Collection Year	Real Property Assessed Value		Tangible Personal Property Assessed Value		Public Utilities Personal Assessed Value		Exemptions (1)	Total Assessed Value	Total Estimated Actual Value	Total Direct Rate
	Assessed Value	Value	Assessed Value	Value	Assessed Value	Value				
1998/1999	\$339,788,000	\$28,479,115	\$21,750,640	\$89,344,780	\$479,362,535	\$1,369,607,243	10.00			
1999/2000	364,416,320	28,685,873	22,830,620	91,143,620	507,076,433	1,448,789,809	9.90			
2000/2001	377,777,510	34,479,275	19,736,500	91,540,420	523,533,705	1,495,810,586	9.71			
2001/2002	389,154,750	29,381,672	15,055,150	95,739,760	529,331,332	1,170,233,589	9.73			
2002/2003	450,998,070	29,402,399	15,803,490	133,469,880	629,673,839	1,184,267,100	9.60			
2003/2004	457,846,720	28,546,698	15,059,190	133,790,350	635,242,958	1,363,121,142	9.40			
2004/2005	465,630,690	28,562,585	14,726,390	133,948,720	642,868,385	1,379,706,441	9.50			
2005/2006 (2)	502,077,420	27,961,223	13,420,850	139,676,170	683,135,663	1,401,011,385	9.50			
2006/2007 (2)	506,398,990	19,626,089	12,989,310	146,038,590	685,052,979	1,500,813,423	9.50			
2007/2008 (2)	513,328,920	15,057,095	11,790,182	148,584,470	688,760,667	1,922,202,640	9.48			

Source: County Auditor

(1) - Exemptions include property utilized by the local and federal government and nonprofit organizations.

(2) - Both Tangible Personal Property and Public Utility Personal Property are expected to be eliminated over the next two years due to a change made by the State of Ohio in its tax structure. Currently the State is reimbursing the City for these lost revenues and plans to reimburse 100% of these losses through 2010 at which time the reimbursement is expected to be reduced until 2017.

Note: The tangible personal property values associated with each year are the values that, when multiplied by the applicable rates, generated the property tax revenue to be received in that year. For real property, the amounts generated by multiplying the assessed values by the applicable rates would be reduced by the 10 percent, 2 1/2 percent and homestead exemptions before being billed.

City of Fairborn
 Direct and Overlapping Property Tax Rates
 Last Ten Calendar Years
 Schedule 6

Calendar Year	Direct Rates					Overlapping Rates									
	General Fund (1)	EMS Fund (2)	Bond Retirement Fund		Street Lighting Fund	Total Direct Rate	Fairborn City Schools		Greene County	Joint Vocational School		General Health District		Bath Township	Fairborn Library
			Fund (1)	Fund (2)			Fund	Fund		Schools	Schools	School	School		
1998	8.30	0.00	0.80	0.70	0.90	10.00	41.80	8.78	3.45	0.30	0.30	0.30	0.30	0.30	0.35
1999	8.30	0.00	0.70	0.51	0.90	9.90	41.80	8.78	3.45	0.30	0.30	0.30	0.30	0.40	0.35
2000	8.30	0.00	0.51	0.53	0.90	9.71	44.70	8.73	3.45	0.30	0.30	0.30	0.30	0.40	0.35
2001	8.30	0.00	0.53	0.40	0.90	9.73	44.64	9.98	3.45	0.30	0.30	0.30	0.30	0.40	0.35
2002	8.30	0.00	0.40	0.20	0.90	9.60	44.70	9.98	3.45	0.30	0.30	0.30	0.30	0.40	0.35
2003	8.30	0.00	0.20	0.30	0.90	9.40	44.70	9.98	3.45	0.55	0.55	0.55	0.55	0.40	0.35
2004	8.30	0.00	0.30	0.30	0.90	9.50	44.40	9.72	3.45	0.50	0.50	0.50	0.50	0.40	0.35
2005	8.30	0.00	0.30	0.30	0.90	9.50	44.40	10.95	3.45	0.50	0.50	0.50	0.50	0.40	0.35
2006	7.00	1.30	0.30	0.30	0.90	9.50	44.40	10.95	3.45	0.50	0.50	0.50	0.50	0.40	0.35
2007	7.00	1.30	0.28	0.28	0.90	9.48	52.50	11.55	3.45	0.50	0.50	0.50	0.50	0.40	0.00

Source: County Auditor

(1) - Includes a 0.30 police pension inside millage

(2) - Includes a 0.30 fire pension inside millage

Note: Rates may only be raised by obtaining the approval of a majority of the voters at a public election.

City of Fairborn
Principal Property Tax Payers
Current Year and Two Years ago (1)
Schedule 7

<u>2007</u>		
<u>Taxpayer</u>	<u>Assessed Value</u>	<u>Percentage of Total Assessed Value</u>
Dayton Power and Light Company	\$8,487,870	1.23%
Charter Woods, LLC	6,156,890	0.89%
MG-Mapleview LTD	4,189,460	0.61%
2377 Commerce Center Blvd.	3,957,290	0.57%
Highland Apartments	3,135,140	0.46%
Property Associates LLC	3,105,320	0.45%
Miami Valley Publishing Co. Inc.	3,045,810	0.44%
Trebein Limited ADK III	2,894,480	0.42%
Trebein Limited	2,820,900	0.41%
Shoppes at VG LTD	2,730,110	0.40%
Total Principal Property Tax Payers	<u>40,523,270</u>	<u>5.88%</u>
Total All Others	<u>648,237,397</u>	<u>94.12%</u>
Total Assessed Value	<u>\$688,760,667</u>	<u>100.00%</u>

<u>2005 (1)</u>		
<u>Taxpayer</u>	<u>Assessed Value</u>	<u>Percentage of Total Assessed Value</u>
Dayton Power and Light Company	\$7,395,220	1.08%
Charter Woods, LLC	6,155,900	0.90%
MG-Mapleview LTD	4,838,520	0.71%
2377 Commerce Center Blvd.	3,956,090	0.58%
Ohio Bell Telephone	3,872,460	0.57%
Trebein Limited ADK III	3,519,900	0.52%
Highland Apartments	3,134,650	0.46%
Property Associates LLC	3,098,380	0.45%
Miami Valley Publishing Co. Inc.	3,045,800	0.45%
Ali Industries	2,996,550	0.43%
Total Principal Property Tax Payers	<u>42,013,470</u>	<u>6.15%</u>
Total All Others	<u>641,122,193</u>	<u>93.85%</u>
Total Assessed Value	<u>\$683,135,663</u>	<u>100.00%</u>

Source: County Auditor

(1) - Calendar (tax) year 2005 is the earliest information available.

City of Fairborn
Property Tax Levies and Collections
Last Ten Calendar Years
Schedule 8

Calendar Year	Taxes Levied for the Calendar Year	Collected within the Calendar Year of the Levy		Accumulated Outstanding Delinquent Taxes	Percentage of Accumulated Delinquent Taxes To Total Tax Levy (1)
		Amount	Percentage of Levy		
1998	\$2,232,743	\$1,965,008	88.01%	\$76,862	3.44%
1999	2,267,425	1,906,485	84.08%	104,351	4.60%
2000	2,644,251	2,443,725	92.42%	154,434	5.84%
2001	2,378,075	2,283,316	96.02%	100,850	4.24%
2002	2,312,652	2,236,001	96.69%	86,813	3.75%
2003	2,391,232	2,295,337	95.99%	76,827	3.21%
2004	2,525,070	2,436,033	96.47%	117,142	4.64%
2005	2,577,182	2,390,628	92.76%	126,340	4.90%
2006	2,681,552	2,589,155	96.55%	147,391	5.50%
2007	2,964,283	2,628,788	88.68%	157,606	5.32%

Source: County Auditor

(1) - County Auditor cannot split tax collections between current and delinquent.

City of Fairborn
Income Tax by Payer Type and Income Tax Rate
Last Ten Calendar Years
(cash basis of accounting)
Schedule 9

Calendar Year	Individual		Total	Corporate ^(a)	Partnership ^(b)	Total	Income Tax Rate
	Withholding	Non-Withholding	Individual				
1998	\$4,441,380	\$721,415	\$5,162,795	\$354,842	\$0	\$5,517,637 ^(c)	1.00%
1999	4,591,758	703,423	5,295,181	341,574	0	5,636,755 ^(c)	1.00%
2000	4,870,163	787,715	5,657,878	393,521	0	6,051,399	1.00%
2001	5,020,174	783,466	5,803,640	277,432	0	6,081,072	1.00%
2002	5,194,056	762,233	5,956,289	367,593	0	6,323,882	1.00%
2003	5,253,485	813,148	6,066,633	423,774	0	6,490,407	1.00%
2004	5,294,278	787,786	6,082,064	456,293	0	6,538,357	1.00%
2005	7,764,991	1,005,942	8,770,933	469,672	0	9,240,605	1.50%
2006	8,339,271	1,355,634	9,694,905	796,801	0	10,491,706	1.50%
2007	8,850,224	1,278,895	10,129,119	747,105	0	10,876,224	1.50%

Source: City Records

^(a) Corporate includes Partnerships, unable to break out the information.

^(b) Information not available.

^(c) All amounts are gross receipts.

Note: Increases in the income tax rate requires voter approval.

City of Fairborn
Principal Income Taxpayers
Current and Prior Year
(cash basis of accounting)
Schedule 10

Note: Due to legal restrictions and confidentiality requirements, the City cannot disclose the amount of withholdings by taxpayer.

City of Fairborn
Ratios of Outstanding Debt by Type
Last Ten Calendar Years
Schedule 11

Calendar Year	Governmental Activities							Capital Leases	Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Special Assessment Bonds	General Obligation Notes	Special Assessment Notes	Income Tax Revenue Bonds	Capital Leases	Capital Leases				
1998	\$2,135,000	\$2,483,000	\$50,000	\$56,423	\$0	\$0	\$0	\$14,099,116	0.35%	\$448	
1999	2,360,000	2,287,000	0	96,462	0	0	0	17,031,013	0.42%	512	
2000	2,138,000	2,086,000	700,000	67,456	0	0	0	16,642,662	0.39%	519	
2001	2,000,000	1,890,000	700,000	47,273	0	0	0	15,563,842	0.36%	486	
2002	1,770,000	1,694,000	1,220,000	85,833	0	0	0	17,692,880	0.39%	552	
2003	1,983,000	1,806,000	470,000	56,663	0	0	0	16,799,249	0.36%	524	
2004	1,995,000	1,598,000	185,000	83,511	0	0	935,160	18,078,022	0.38%	564	
2005	1,700,000	1,390,000	2,110,000	59,811	9,350,000	852,285	852,285	30,725,780	0.62%	959	
2006	1,400,000	1,760,000	4,750,000	36,111	8,470,000	720,737	720,737	30,454,074	N/A	950	
2007	1,080,000	2,000,000	2,470,000	12,412	7,570,000	627,014	627,014	28,777,788	N/A	898	

Calendar Year	Business-type Activities							Capital Leases	Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	OWDA Loan	OPWC Loan	Landfill Closure and Postclosure Care Costs	General Obligation Notes	Capital Leases	Capital Leases				
1998	\$4,370,000	\$3,216,661	\$283,652	\$404,380	\$1,100,000	\$0	\$0	\$14,099,116	0.35%	\$448	
1999	4,040,000	4,396,423	266,967	384,161	3,200,000	0	0	17,031,013	0.42%	512	
2000	3,695,000	4,141,982	250,282	363,942	3,200,000	0	0	16,642,662	0.39%	519	
2001	5,485,000	3,874,250	233,596	343,723	990,000	0	0	15,563,842	0.36%	486	
2002	5,030,000	3,662,632	216,911	323,504	3,690,000	0	0	17,692,880	0.39%	552	
2003	5,515,000	3,365,076	200,225	303,285	3,100,000	0	0	16,799,249	0.36%	524	
2004	8,050,000	3,058,962	183,540	283,066	1,630,000	75,783	75,783	18,078,022	0.38%	564	
2005	7,340,000	2,735,900	166,855	262,847	4,700,000	58,082	58,082	30,725,780	0.62%	959	
2006	6,590,000	2,394,852	150,170	242,628	3,900,000	39,576	39,576	30,454,074	N/A	950	
2007	5,805,000	2,034,697	133,485	424,952	6,600,000	20,228	20,228	28,777,788	N/A	898	

Source: City Records

N/A - Information not available.

Notes: Details regarding the city's outstanding debt can be found in the notes to the basic financial statements

City of Fairborn
Ratios of General Bonded Debt Outstanding
Last Ten Calendar Years
Schedule 12

Calendar Year	General Bonded Debt Outstanding		Per Capita
	General Obligation Bonds	Percentage of Estimated Actual Taxable Value of Property	
1998	\$2,135,000	0.16%	\$68
1999	2,360,000	0.16%	71
2000	2,138,000	0.14%	67
2001	2,000,000	0.17%	62
2002	1,770,000	0.15%	55
2003	1,983,000	0.15%	62
2004	1,995,000	0.14%	62
2005	1,700,000	0.12%	53
2006	1,400,000	0.09%	44
2007	1,080,000	0.06%	34

Source: City Records

Notes: Details regarding the city's outstanding debt can be found in the notes to the basic financial statements.

City of Fairborn
 Direct and Overlapping Governmental Activities Debt
 As of December 31, 2007
 Schedule 13

Governmental Unit	Net Debt Outstanding	Estimated Percentage Applicable (1)	Amount Applicable to City of Fairborn
City of Fairborn	\$11,924,110	99.99%	\$11,922,918
Greene County	28,157,000	15.43%	4,344,625
Beavercreek Township	335,000	3.80%	12,730
Beavercreek City School District	29,005,000	3.74%	1,084,787
Fairborn City School District	17,739,987	77.39%	13,728,976
Total Direct and Overlapping Debt	\$87,161,097		\$31,094,036

Source: Ohio Municipal Advisory Council

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

City of Fairborn
 Legal Debt Margin Information
 Last Ten Calendar Years
 Schedule 14

Legal Debt Margin Calculation for Calendar Year 2007

Assessed value	\$688,760,667	\$688,760,667
Statutory legal debt limitation (1)	10.5%	5.5%
Total debt limit	72,319,870	37,881,837
Debt applicable to limit:		
Applicable City Debt Outstanding (2)	1,080,000	1,080,000
Less: Bond Retirement Fund Balance	369,454	369,454
Total net debt applicable to limit	710,546	710,546
Legal debt margin	\$71,609,324	\$37,171,291

	Calendar Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Total Debt Limit (1)										
Debt Limit (10.5%)	\$50,333,066	\$53,243,025	\$54,971,039	\$55,579,790	\$66,115,753	\$66,700,511	\$67,501,180	\$71,729,245	\$71,930,563	\$72,319,870
Total Net Debt Applicable to Limit	\$1,529,901	1,759,624	1,458,665	1,140,294	1,140,366	1,738,327	1,717,348	1,342,681	1,051,430	710,546
Legal Debt Margin	\$48,803,165	\$51,483,401	\$53,512,374	\$54,439,496	\$64,975,387	\$64,962,184	\$65,783,832	\$70,386,564	\$70,879,133	\$71,609,324

Total Net Debt Applicable to the Limit	3.04%	3.30%	2.65%	2.05%	1.72%	2.61%	2.54%	1.87%	1.46%	0.98%
as a Percentage of Debt Limit										

	Calendar Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Total Unvoted Debt Limit (1)										
Debt Limit (5.5%)	\$26,364,939	\$27,889,204	\$28,794,354	\$29,113,223	\$34,632,061	\$34,938,363	\$35,357,761	\$37,572,461	\$37,677,914	\$37,881,837
Total Net Debt Applicable to Limit	(\$605,099)	0	0	1,140,294	1,140,366	1,738,327	1,717,348	1,342,681	1,051,430	710,546
Legal Debt Margin	\$26,970,038	\$28,489,580	\$28,794,354	\$27,972,929	\$33,491,695	\$33,200,036	\$33,640,413	\$36,229,780	\$36,626,484	\$37,171,291

Total Net Debt Applicable to the Limit	(2.30%)	(2.15%)	0.00%	3.92%	3.29%	4.98%	4.86%	3.57%	2.79%	1.88%
as a Percentage of Debt Limit										

Source: City Records

(1) - Direct debt limitation based upon Section 133, the Uniform Bond Act of the Ohio Revised Code. Total debt limit should not exceed 10.5% of net assessed property value.

Total unvoted debt limit should not exceed 5.5% of net assessed property value.

(2) - City debt outstanding includes non self-supporting general obligation bonds. Enterprise debt is not considered in the computation of the legal debt margin.

City of Fairborn
Pledged-Revenue Coverage
Last Ten Calendar Years
Schedule 15

Calendar Year	Special Assessment Bonds			
	Special Assessment Collections (1)	Debt Service		Coverage
		Principal	Interest	
1998	\$430,341	\$161,000	\$122,320	1.52
1999	414,418	196,000	168,799	1.14
2000	354,667	201,000	153,659	1.00
2001	516,937	196,000	137,983	1.55
2002	359,756	196,000	122,900	1.13
2003	332,774	193,000	117,315	1.07
2004	393,506	213,000	116,067	1.20
2005	347,871	213,000	99,770	1.11
2006	301,223	140,000	83,472	1.35
2007	399,839	230,000	99,859	1.21

Source: County Auditor

(1) - City's tax settlement sheets.

City of Fairborn
Demographic and Economic Statistics - Greene County
Last Ten Calendar Years
Schedule 16

Calendar Year	Population (1)	Personal Income (Thousands of Dollars) (2)	Per Capita Personal Income (3)	Unemployment Rate (4)
1998	31,469	\$4,050,634	\$27,694	3.3%
1999	33,260	4,074,296	27,626	3.3%
2000	32,054	4,272,286	28,832	3.2%
2001	32,054	4,352,395	29,284	3.4%
2002	32,054	4,519,917	30,183	4.5%
2003	32,054	4,693,132	31,145	5.0%
2004	32,054	4,812,637	31,685	5.3%
2005	32,054	4,976,768	32,780	5.4%
2006	32,054	5,196,558	33,743	5.6%
2007	32,054	N/A	N/A	5.9%

- Sources:
- (1) - Population estimates provided by U.S. Census Bureau (1990 Census and 2000 Census).
 - (2) - Personal Income information provided by Bureau of Economic Analysis: Regional Economic Accounts.
 - (3) - Per Capita Personal Income information provided by Bureau of Economic Analysis: Regional Economic Accounts.
 - (4) - Ohio Bureau of Employment Services.

N/A - Information not available



City of Fairborn
 Principal Employers
 Current Calendar Year (1)
 Schedule 17

2005 (2)

<u>Employer</u>	<u>Number of Employees</u>
Wright Patterson AFB	22,000
Wright State University	2,200
Fairborn City Schools	550
Teleperformance USA	400
Logtec (3)	300
Ball Aerospace	260
Wright-Patt Credit Union (3)	260
Computer Sciences Corp.	250
Northrop Grumman	240
City of Fairborn	230
	<u>26,690</u>

Source: Community Development Division

(1) - 2005 calendar year is the latest information available

(2) - Data current as of December 2005

(3) - Denotes corporate headquarters

City of Fairborn
 Full-Time Equivalent City Government Employees by Function/Program
 Last Ten Calendar Years
 Schedule 18

Function/Program	Full-Time Equivalent Employees as of December 31 ^(a)									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
General Government										
City Council	0.5	0.5	0.5	0.5	0.5	0.5	0.5	4.0	4.0	0.9
Municipal Court	23.4	23.5	26.0	28.8	26.8	26.8	25.1	24.0	24.0	28.9
City Administration	4.9	4.9	4.8	4.9	4.8	4.8	4.8	3.5	3.5	3.8
Finance	18.5	18.5	16.3	16.5	14.5	14.5	14.5	15.0	14.0	15.3
Legal	1.5	1.5	1.5	1.7	2.0	1.8	1.8	2.0	2.0	2.0
Personnel	2.0	2.0	2.0	2.0	2.0	2.0	1.6	1.0	1.0	1.0
Engineering	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	5.5	6.1
Public Works Director	1.0	1.0	1.0	1.0	1.0	1.0	0.0	0.0	0.0	0.0
Audio Visual	1.0	1.0	1.0	1.0	1.0	1.0	1.0	0.0	0.0	0.0
Plant Maintenance	12.0	12.0	12.0	12.0	12.0	11.4	12.0	12.0	12.0	9.6
Victim Witness	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	1.9
Public Safety ^(b)										
Police										
Sworn Officers	64.9	64.9	64.9	65.1	64.6	66.2	60.7	51.0	47.5	43.0
Non-Sworn	0.0	0.0	0.0	0.0	0.0	0.0	0.0	16.0	16.0	18.6
Fire	48.0	48.0	48.7	51.0	54.0	53.0	51.0	50.5	51.0	52.0
Community Environment										
Building Inspection	4.7	4.7	4.7	5.0	5.7	5.0	5.0	5.0	5.0	4.9
City Planner	3.0	3.0	3.0	3.1	3.0	3.1	3.0	3.0	3.0	2.3
Neighborhood Betterment	3.2	2.9	3.2	3.6	3.6	2.0	2.0	4.0	3.5	3.6
Leisure Time Activities										
Parks and recreation	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.3
Transportation and Street Repair										
Street	11.3	11.3	11.3	11.3	11.3	10.3	9.8	10.0	10.0	10.0
State Highway	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Public Health and Welfare										
Cemetery	2.0	2.0	2.0	2.0	2.0	2.0	2.0	1.5	1.5	1.5

City of Fairborn
 Full-Time Equivalent City Government Employees by Function/Program
 Last Ten Calendar Years
 Schedule 18 (Continued)

Function/Program	Full-Time Equivalent Employees as of December 31 ^(a)									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Basic Utility Service										
Water	15.3	15.3	16.3	16.3	16.3	16.3	17.3	17.5	17.0	17.4
Sewer	22.3	22.3	22.3	22.3	22.5	22.5	22.5	21.5	23.0	21.7
Sanitation	2.0	2.0	2.0	2.0	2.0	2.0	2.0	1.0	1.0	1.1
Internal Service										
ITS	(c)	(c)	(c)	(c)	(c)	(c)	(c)	2.0	2.0	3.0
Equipment Services	9.0	9.0	9.5	9.7	9.7	8.7	8.0	7.0	7.0	7.1
Total	258.9	258.7	261.3	268.1	267.6	263.2	253.0	260.0	258.0	257.5

Source: Various City Departments

(a) As budgeted

(b) Information obtained from department annual reports.

(d) Public Works Director position eliminated in 2004. In 2006, position reintroduced as Public Administrative Services Director. 1 FTE split 50/50 between Water and Sewer. Position was filled through promotion of existing Water and Sewer employee. Starting 2007, this position is split: 25% each to Water, Sewer, and Water Reclamation; 5% each to Engineering, Parks & Recreation, Sanitation, Street, and Equipment.

City of Fairborn
 Operating Indicators by Function/Program
 Last Ten Calendar Years
 Schedule 19

Function/Program	Calendar Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
General government										
Municipal Court										
Criminal and Traffic Cases	19,670	20,726	20,951	18,026	19,247	16,163	13,666	16,072	19,043	19,634
Criminal and Traffic Trials	194	126	89	149	108	130	97	79	96	106
Criminal and Traffic Receipts (in 000's)	\$2,293	\$2,532	\$2,602	\$2,571	\$2,818	\$2,571	\$2,439	\$2,624	\$2,983	\$3,034
Civil/Small Claims Cases	1,610	1,574	1,613	1,464	1,543	2,156	1,810	1,983	2,072	2,146
Civil/Small Claims Trials	835	894	817	752	721	1,013	851	835	897	587
Civil/Small Claims Receipts (in 000's)	\$191	\$283	\$327	\$388	\$454	\$541	\$610	\$578	\$581	\$729
Security of Persons and Property										
Police										
Calls for Service ^(b)	22,804	23,296	23,835	23,449	24,012	23,124	23,413	32,778	37,252	34,981
Parking violations	1,291	1,612	1,271	1,675	1,299	1,132	995	1,141	932	852
Traffic violations	4,490	5,499	4,912	4,030	4,227	4,085	2,509	2,515	5,400	6,218
Criminal Citations	2,555	2,778	2,831	2,954	2,616	2,798	3,018	2,817	3,478	3,506
Training Hours	5,380	7,208	5,136	5,497	5,149	4,507	4,091	3,441	4,691	4,008
Fire										
Emergency responses	6,386	6,642	6,303	5,010	5,204	5,478	5,495	5,736	5,872	6,000
Inspections	(a)	1,142	1,341	1,590	1,590	1,503	1,121	1,141	1,157	1,177
Training hours	(a)	(a)	(a)	(a)	(a)	5,425	7,730	12,518	6,980	5,924
Community Environment										
Planning and Development										
Residential construction permits issued	124	112	1,164 (c)	1,145	1,500	1,442	1,383	1,195	1,040	1,044
Estimated value of residential construction	\$15,738,746	\$19,325,451	\$11,662,324 (c)	\$12,677,065	\$18,200,034	\$18,296,213	\$17,011,265	\$14,832,301	\$11,939,843	\$17,515,016
Commercial construction										
Commercial construction permits issued	7	14	530 (c)	536	398	393	352	474	361	359
Estimated value of commercial construction	\$4,292,500	\$8,491,620	\$30,002,623 (c)	\$16,754,423	\$6,978,147	\$15,197,647	\$15,651,854	\$17,083,481	\$23,925,526	\$17,655,180
Parks and recreation										
Softball Registrations	(a)	(a)	(a)	(a)	68	70	90	95	72	86
Weekend Softball Tournaments	(a)	(a)	(a)	(a)	50	54	50	57	46	40

City of Fairborn
 Operating Indicators by Function/Program
 Last Ten Calendar Years
 Schedule 19 (Continued)

Function/Program	Calendar Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Water										
New connections	131	130	103	92	158	145	145	102	91	83
Water main breaks	24	34	39	24	22	38	37	37	22	42
Average daily consumption (millions of gallons)	3,551	3,604	3,923	3,600	3,600	4,300	3,760	3,792	3,594	3,414
Peak daily consumption (millions of gallons)	(a)	(a)	(a)	(a)	(a)	(a)	(a)	(a)	4,730	4,690
Total Water Treated (millions of gallons)	1,301	1,358	1,209	1,249	1,481	1,559	1,375	1,384	1,320	1,260
Average Daily Treatment (millions of gallons)	3.6	3.6	3.3	4.0	4.0	4.2	3.8	3.8	3.6	3.4
Hydrants flushed	1,269	1,297	1,337	1,361	1,386	1,411	1,448	1,457	1,460	1,423
Sewer										
Total Water Treated (millions of gallons)	1,597	1,549	1,384	1,481	1,493	1,537	1,448	1,555	1,581	1,636
Average Daily Treatment (millions of gallons)	4.4	4.3	3.8	4.1	4.1	4.2	4.0	4.3	4.3	4.5

Source: Various City Departments

(a) Not Available

(b) In 2005, the police department changed the method of counting total calls for service to the same method of other area departments.

(c) Beginning with 2000, the planning and development department changed the method for determining commercial/residential activity to include all commercial/residential related permits. Previously, the method only included new buildings. Information is not available for 1997-1999.

City of Fairborn
 Capital Asset Statistics by Function/Program
 Last Ten Calendar Years
 Schedule 20

Function/Program	Calendar Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	27	27	27	31	31	31	33	31	31	30
Fire Stations	3	3	3	3	3	3	3	3	3	4
Public Works										
Area of City (square miles)	13.27	13.27	13.40	13.40	13.40	13.40	13.41	13.41	13.41	13.41
Streets (lane miles)	120.23	122.02	123.01	124.46	124.46	127.21	288.81	288.81	293.10	294.20
Streetlights	1,852	1,900	1,900	1,900	1,900	1,900	1,995	1,995	2,342	2,495
Parks and Recreation										
Number of Parks	13	15	15	15	16	17	18	19	19	19
Acreage	358.00	363.78	363.78	363.78	431.88	622.09	622.31	651.51	686.61	686.57
Playgrounds	(a)	16	16	16	16	16	18	18	18	17
Baseball/softball diamonds	(a)	(a)	17	17	17	17	17	15	15	15
Soccer/football fields	(a)	(a)	12	12	12	12	12	12	12	12
Number of Tennis Courts	14	14	14	14	14	14	14	14	14	14
Municipal Water Department										
Daily Treatment Capacity (millions of gallons)	(a)	(a)	(a)	4.60	4.60	4.60	5.00	5.00	5.00	5.40
Water Mains (miles)	120.12	138.09	140.02	142.00	142.00	144.34	145.95	147.69	148.56	149.37
Fire hydrants	1,269	1,297	1,337	1,361	1,386	1,411	1,448	1,457	1,460	1,457
Sewers										
Daily Treatment Capacity (millions of gallons)	5.50	5.50	5.50	5.50	5.50	6.00 (b)	6.00 (b)	6.00 (b)	6.00	6.00
Storm Sewers (miles)	74.42	99.15	100.51	102.29	102.29	105.58	109.09	109.71	110.66	111.57
Sanitary Sewers (miles)	124.47	125.28	127.46	129.13	129.13	131.76	133.84	135.24	135.78	136.50

Source: Various City Departments

- (a) Information Not Available
- (b) Information was corrected from prior years.

City of Fairborn
Finance Department
44 West Hebble Avenue
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Telephone: (937) 754-3005
www.ci.fairborn.oh.us





Mary Taylor, CPA
Auditor of State

CITY OF FAIRBORN

GREENE COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
AUGUST 21, 2008