



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 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, 2009, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 25, 2010. As discussed in Note 3, the City restated the beginning fund balances to account for the Police Fund, to recognize revenue in lieu of taxes as an imposed non-exchange transaction, and to correct an error in capital assets. 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 the purpose of expressing our opinions on the financial statements, but not for the purpose of opining 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.

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

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

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 no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

We did note certain matters not requiring inclusion in this report that we reported to the City's management in a separate letter dated June 25, 2010.

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

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

Mary Taylor, CPA
Auditor of State

June 25, 2010

Comprehensive Annual Financial Report



**City of
Fairborn, Oh**

**For the year ended
December 31, 2009**



CITY OF FAIRBORN, OHIO

GREENE COUNTY

Comprehensive Annual Financial Report

For the Year Ended December 31, 2009

Prepared by:
Department of Finance

Randall J. Groves, CPFO, CGFM
Finance Director



City of Fairborn, Ohio
Comprehensive Annual Financial Report
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I N T R O D U C T O R Y S E C T I O N





**CITY OF FAIRBORN
FINANCE DIVISION
44 W. Hebble Ave.
Fairborn OH 45324-4999
(937) 754-3005
Fax (937) 754-3115**

June 25, 2010

Honorable Mayor and
Members of 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, 2009. 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

This report enables the City to comply with Ohio Administrative Code Section 117-2-03 (B), which requires reporting on a GAAP (Generally Accepted Accounting Principles) basis, and Ohio Revised Code Section 117.38, which requires that cities reporting on a GAAP basis file an unaudited annual report with the Auditor of State within 150 days of year-end. 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, 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

With economic diversity, key governmental institutions and prime land for additional development, Fairborn has what it takes to fuel business growth. Wise and prudent city planning as well as collaboration with other organizations has helped Fairborn maintain its current business base and expand horizons with new and exciting ventures in commercial, industrial, government and office development.

As home to Wright State University and the gateway to Wright-Patterson Air Force Base (WPAFB), Fairborn gains economic strength from two of the largest employers in the Miami Valley region. The close proximity to Wright-Patterson Air Force Base draws businesses serving the Air Force and other branches of the military to locate in Fairborn. WPAFB personnel work with military contractors developing new procedures, technology, and products

that increase the ability of the military to protect our Nation. And while military and government-related businesses are a vital part of Fairborn's economy, there are many others that provide economic support and add to the diversity of the City's business community, including major manufacturing facilities, distribution centers serving regional markets, and printing companies as well as many others. Through the City's Business First Program, outreach specialists communicate with local businesses to help make them feel welcome in our community and let them know the City is ready to assist with any of their business needs.

One of the most recent and exciting initiatives for Fairborn is the development of the National Center for Medical Readiness Tactical Laboratory at Calamityville. A project of the Department of Emergency Medicine in the Boonshoft School of Medicine at Wright State University, Calamityville is a state of the art collaborative training and research facility that will provide unique training opportunities for the world's medical, public health, public safety, civilian and military disaster-responders and decision makers. Calamityville will be located in Fairborn at the 54 acre site of the former CEMEX plant, an international supplier of cement.

Calamityville will serve as a self-sustaining, real-life disaster simulation facility which will focus on training for the medical aspects of disaster situations. The classroom learning environment will be supplemented with on-site disaster scenarios such as a crashed airplane, hazardous material spill, flood, confined space, and train derailment that simulate real life disaster situations. Participants will include first providers/receivers including doctors, nurses, military response teams, as well as first responders including law enforcement, fire, and emergency medical services personnel. The facility will also function as a test bed for commercial product research and development.

The Calamityville tactical laboratory will be the first site in the United States to fully integrate civilian and military medical and non-medical responses to disasters or other complex rescue situations, providing a more complete learning experience for students and participants. Once fully operational, Calamityville is expected to draw thousands of participants to the area annually with a projected economic impact of \$374 million over a 5-year period for the Miami Valley Region according to an economic analysis prepared by Wright State University.

Like the National Center for Medical Readiness, many other organizations are attracted to Fairborn due to the availability of real estate poised for development. Fairborn is excited to have the next great development frontier along Interstate 675 with prime industrial, office and commercial development sites located at or near the interchanges at Dayton-Yellow Springs Road, State Route 235, and State Route 444.

From the technology based business office space in the Wright Executive Park to the more recent Valle Greene North development with acres of shovel ready sites available, Fairborn is ready to assist businesses looking for prime locations along Interstate 675. Fairborn is also one of a very limited number of cities that has rail service adjacent to industrial zoned land that is ready for development.

The City's progress in economic growth would not be possible without the assistance of the Fairborn Chamber of Commerce and the Downtown Fairborn Betterment Association. These

groups of caring residents and business professionals help to increase prosperity and the quality of life in Fairborn by facilitating the growth of businesses by organizing networking opportunities through various programs and events during the year. Looking to the future, the City will continue to pursue successful collaborations among businesses, community organizations, and governments to serve as a catalyst for economic growth in Fairborn.

Major Initiatives

For 2009

As with other cities, the adequacy of the City of Fairborn's infrastructure to support its 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. Through 2009, the fifth year of this street improvement program, the City has resurfaced or repaired 39.1 miles of roadways affecting 113 local streets and 17 thoroughfares.

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 annually and has been used to finance land acquisition and the construction and renovation of fire facilities, as well as the purchase of fire and EMS equipment for four stations.

As with most cities of similar age, the water and wastewater infrastructure periodically is in need of repair and/or replacement. The water department undertook several projects in 2009 to rehabilitate aging infrastructure including the replacement of filter media in one filter, redevelopment of a well in the Mad River well field, replacement of a well motor in the North well field, and replacing a four inch water line with an eight inch main to improve water flow for quality and fire fighting purposes. Design was also completed for water treatment plant updates which will increase the facility's pumping capacity by over a million gallons a day. Construction of the project is anticipated to begin in 2010.

The new state-of-the-art, low life-cycle cost influent pump station project was completed in 2009 at the Water Reclamation Center which ensures the City will be able to meet its growth needs for the foreseeable future. The project also included the installation of an emergency generator that will power the entire Water Reclamation Center in case of emergency.

In 2009, the City also received ARRA stimulus funding for the lining of over 3,500 feet of sanitary sewer main. Plans were submitted and approval received from the Ohio Environmental Protection Agency for replacement of a 30 year old sewer lift station located on Kauffman Avenue to address condition, capacity, and energy efficiency concerns with construction anticipated for 2010. In conjunction with the City's street improvement program, city personnel

have performed assessments and repairs to water, sewer, and storm water appurtenances prior to the roadwork to reduce the potential for excavations after street renovations have been completed.

In 2009, the Parks and Recreation and Plant Maintenance divisions completed many capital improvement projects at Community Park including the installation of two new pieces of playground apparatus for the enjoyment of the community. Additionally, the electrical system at the park was upgraded, allowing for the addition of more vendors and flexible configurations at all of the popular festivals appearing at the park. Construction also began on a new restroom and picnic shelter near the Atherton Amphitheater, and a wireless communication system was added along with a security camera, allowing the Parks and Recreation Division to efficiently and seamlessly transmit video, data, and voice communications to the Government Center.

The Parks and Recreation Division also completed a major tennis court improvement project at Wedgewood Park. The tennis courts were re-oriented in a north-south fashion then resurfaced, re-sealed, and new fencing was installed around the courts.

Other building and land improvements in 2009 included a 300Kw emergency back-up generator at the Government Center capable of powering every circuit in the Police Department and the Government Center, allowing for the fluid operation of all government operations in the event of a power loss.

For the Future

The City's Comprehensive Plan helps facilitate managed and orderly growth. Growth however, continues to challenge the capacity of City infrastructure and the City's ability to maintain it, especially its water distribution, sewer collection, and street and thoroughfare systems. 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 Engineering Department continues to oversee the paving program for the 450 public streets in Fairborn and it is estimated an average of 30 streets per year will be paved in the future. Design work for the Dayton-Yellow Springs Phase II project is nearing completion, as well as the Spangler Road widening project. Both require additional funding sources before construction can be commenced.

Long range planning for water and sewer systems is driven not only by anticipated growth but also by Ohio Environmental Protection Agency rules and mandates, advances in treatment and contamination detection technology, aging facilities, and the aesthetic demands of citizens. The City's planning horizon includes projects to increase raw water and treatment capacities, water treatment process changes to improve water quality, system storage and pumping facilities to support domestic and fire fighting demands, and conveyance system upgrades for increased capacity.

The City will select a firm in 2010 to evaluate the Northwest Pump Station, which pumps sewage from south Fairborn to the Water Reclamation Center (WRC), and develop a design that addresses a number of issues including the lack of pumping capacity for coping with major rain

events. The Northwest Pump Station is approaching a point where development in south Fairborn must be delayed if pumping capacity is not increased in the near future. The project includes increasing the capacity of the force main that delivers the pump station's output to the WRC and replacing the aging, unreliable, labor intensive backup screen that removes debris from the incoming wastewater. Key considerations are the structural integrity of the pump station and whether or not it will be cost effective to increase the pumping capacity of the existing facility or if life cycle cost considerations dictate demolishing the existing facility and constructing a new one.

Other lesser projects for 2010 include upgrading the WRC's operations and maintenance (O&M) manual to reflect the current configuration (as required by Ohio EPA) and replacing aging, inefficient pumps with state of the art, efficient, low life cycle cost pumps. Once the Northwest Pump Station Project is complete, the next major WRC project is currently scheduled for 2015 and involves the design phase for a third clarifier tank, assuming sufficient population growth warrants it.

Economic development efforts focus on the revitalization of the downtown and Broad Street central business districts and the realignment of State Route 444 to capitalize on the needs of Wright State University and Wright Patterson Air Force Base. Efforts will concentrate on strict code enforcement and opportunities of adaptive reuse or infill development. Examples of recent revitalization projects initiated by the community development department include the continuation of the Broad Street corridor planning effort with the focus of the project on the area adjacent to I-675 from I-70 south to State Route 235; the downtown facade program and the funded streetscape project to continue to improve Main Street; and the use of Neighborhood Stabilization Program funds to assist in addressing housing issues in targeted neighborhoods.

As mentioned previously in Economic Condition and Outlook, Calamityville is in the beginning stages of development. Fairborn's Brownfield cleanup and adaptive reuse of the former CEMEX, Inc. property was made possible through the use of a \$2.8 million Clean Ohio Revitalization Fund grant along with a \$200,000 grant from the US EPA. The environmental remediation and redevelopment project is expected to be completed by 2011.

Finally, it has been estimated by WPAFB that the Base Realignment and Closure (BRAC) initiative of the U.S. Department of Defense will bring 1,200 new military and civilian positions to WPAFB and the Miami Valley area which should have a positive impact on Fairborn's economy and business environment.

In summary, with Calamityville coming to fruition and the BRAC initiatives on the horizon, the City is poised for a growth in business opportunities and residential housing. 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. In addition, through its focus on code enforcement and a higher quality of life, the future is optimistic for a strong and viable community.

Financial Planning And Policies

It is the mission of the City to develop, maintain and implement financial accounting policies and procedures and protect and optimize the financial resources of the City. The City provides a sound accounting system for safeguarding the City's assets through the recording and reporting of financial transactions according to mandated laws and guidelines of Federal law, Ohio Revised Code, Generally Accepted Accounting Principles (GAAP), and the City of Fairborn's Codified Ordinances. The departmental goals are to develop sound fiscal policies, provide solid fiscal management for the City, maintain reserves and fiscal integrity, and protect the assets of the Citizens of Fairborn.

Financial Information

Basis of Accounting

The City uses fund accounting to maintain its financial records and operates on a cash basis of accounting during the year. For the purposes of this report and to present the most accurate picture of the City's finances for the fiscal year ended December 31st, the cash basis records are converted to the modified accrual and the accrual basis of accounting consistent with generally accepted accounting principles (GAAP) as applied to governmental units.

Internal Control Structure

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

The City adopts an annual budget that includes estimated revenues and expenditures (appropriations) for the year for all funds except for certain agency funds. The budget is amended during the year as appropriate according to Ohio budgetary law. Budgetary control is maintained by the encumbrance of purchase amounts prior to ordering goods or services or the release of purchase orders to vendors. Purchase orders are not issued when insufficient appropriations preclude the encumbrance of the purchase amount. Transaction detail for budgeted and actual revenues and expenditures are available at any time via queries of the financial system or are contained in monthly reports. The legal level of budgetary control is by fund, department, and line item.

A more detailed description of the basis of accounting, budgetary process, and various funds and accounts utilized by the City are included in Note 2 to the basic financial statements.

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, 2009, 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, 2008. This was the twentieth consecutive year 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 for the fiscal year ended December 31, 2009 continues to conform to program requirements and we will be submitting it to the GFOA to determine its eligibility for another Certificate of Achievement.

Other Information

Employee Union Contracts

Approximately 60 percent of City employees are members of five different bargaining groups including 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 the International Association of Firefighters (IAFF). Contracts for the AFSCME and FOP (Sergeants, Police Officers, and Dispatchers) unions were renegotiated in 2008. The FOP contracts have an effective date of June 21, 2008, and expire June 20, 2011. The AFSCME contract is effective March 29, 2008, and expires on March 28,

2011. The IAFF (Fire) contract was renegotiated in 2007 with an effective date of January 1, 2007, and expired on December 31, 2009. A successor agreement for the period January 1, 2010 through December 31, 2012 has been approved by the City and is awaiting ratification by the IAFF.

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 to 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,

A handwritten signature in black ink, appearing to read "R. Groves".

Randall J. Groves, CPFO, CGFM
Finance Director

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, 2008

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



President

Executive Director

City of Fairborn, Ohio

Principal Officials

December 31, 2009

COUNCIL - MANAGER FORM OF GOVERNMENT

CITY COUNCIL

Joan Dautel, Mayor

Stuart M. Snow, Deputy Mayor

Frank Cervone, Council Member

James R. Hapner, Council Member

Dan Kirkpatrick, Council Member

Tom Nagel, Council Member

Robert Wood, Council Member

CITY MANAGER

Deborah A. McDonnell

CITY SOLICITOR

Michael Mayer

FINANCE DIRECTOR

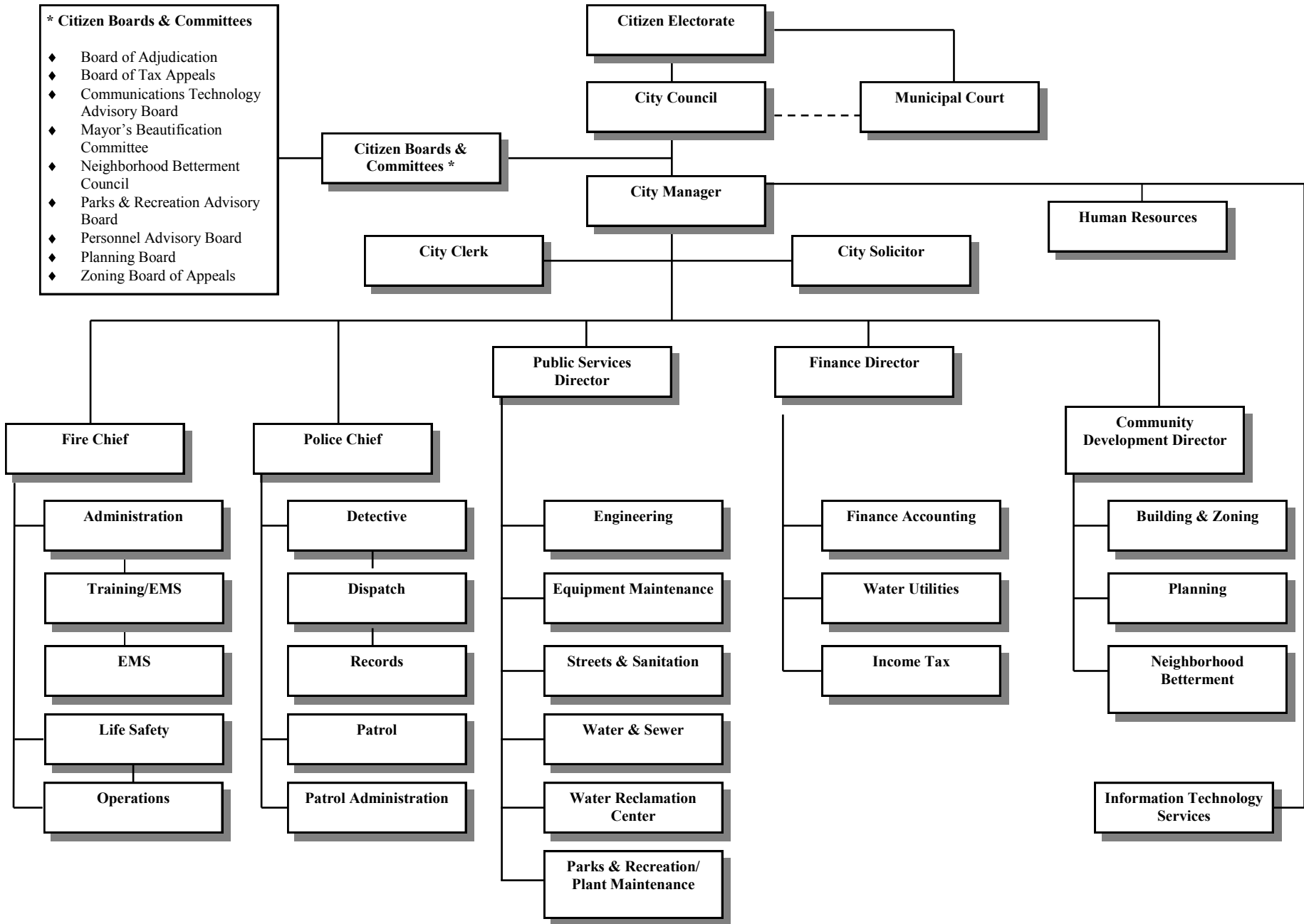
Randall J. Groves

FISCAL OFFICER

Annetta L. Williams

City of Fairborn Organizational Chart

- * Citizen Boards & Committees**
- ◆ Board of Adjudication
 - ◆ Board of Tax Appeals
 - ◆ Communications Technology Advisory Board
 - ◆ Mayor's Beautification Committee
 - ◆ Neighborhood Betterment Council
 - ◆ Parks & Recreation Advisory Board
 - ◆ Personnel Advisory Board
 - ◆ Planning Board
 - ◆ Zoning Board of Appeals



F I N A N C I A L S E C T I O N





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, 2009, 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, 2009, and the respective changes in financial position and where applicable, cash flows, thereof and the respective budgetary comparisons for the General Fund, Fire and EMS Fund, and Police Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 3, the City restated the beginning fund balances to account for the Police Fund, to recognize revenue in lieu of taxes as an imposed non-exchange transaction, and to correct an error in capital assets.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 25, 2010, 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 black ink that reads "Mary Taylor". The signature is written in a cursive, flowing style.

Mary Taylor, CPA
Auditor of State

June 25, 2010

City of Fairborn, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2009
(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, 2009, 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 \$1.9 million while net assets of business-type activities increased by \$1.4 million, resulting in a nearly four percent increase in the City's total net assets.
- The General Fund balance decreased \$1.4 million (27 percent) to \$3.8 million.
- Unrestricted governmental activities net assets realized a 19 percent decrease to \$5.8 million.
- Business-type activity operations reflected an operating income of \$1.6 million and net assets increased \$1.4 million to \$19.8 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 the 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.

REPORTING THE CITY AS A WHOLE

Statement of Net Assets and the Statement of Activities

The analysis of the City as a whole begins with the Statement of Net Assets and the Statement of Activities. These government-wide financial statements provide information that will help the reader to 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 which is similar to the accounting used by private sector companies. All current year revenues and expenses are taken into account regardless of when cash is received or paid.

City of Fairborn, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2009
(Unaudited)

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

In the Statement of Net Assets and the Statement of Activities, the City's operations are divided into two kinds of activities, governmental activities and business-type activities.

Governmental Activities – Most of the City's services are reported here including police, fire and emergency medical services, community development, recreation, street repair, and general government administration. Municipal income taxes, property taxes, intergovernmental revenues, charges for services, and interest income finance most of these activities.

Business-type Activities – These activities consist of water, sewer, and sanitation services. Service charges for these operations are assessed based upon the amount of usage or a usage fee. The intent is that the fees charged provide funding to cover operating costs, capital outlay, and associated debt service.

REPORTING THE CITY'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

Information about the City's major funds is presented in the fund financial statements which begin on page 18. 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 the use of grants. The City's major funds are the General, Fire and EMS, Police, General Bond Retirement, Tax Increment Financing, Water, Sewer, and Sanitation Funds.

City of Fairborn, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2009
(Unaudited)

Governmental Funds

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

Services for which the City charges its citizens fees to generate sufficient funding to cover operating costs, capital outlay, and associated debt service 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 City. Fiduciary funds are not reflected on the government-wide financial statements because the resources of these funds are not available to support the City's programs. All of the City's fiduciary activities are reported in a separate Statement of Fiduciary Assets and Liabilities.

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 2009 compared to 2008.

City of Fairborn, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2009
(Unaudited)

Table 1
Net Assets

	Governmental Activities		Business-type Activities		Total		
	2009	Restated 2008	2009	2008	2009	Restated 2008	Variance
Assets:							
Current and Other Assets	\$25,418,531	\$22,953,775	\$9,129,804	\$11,906,064	\$34,548,335	\$34,859,839	(\$311,504)
Capital Assets	68,929,357	69,507,673	28,239,476	25,850,001	97,168,833	95,357,674	1,811,159
<i>Total Assets</i>	<u>94,347,888</u>	<u>92,461,448</u>	<u>37,369,280</u>	<u>37,756,065</u>	<u>131,717,168</u>	<u>130,217,513</u>	<u>1,499,655</u>
Liabilities:							
Current and Other Liabilities	8,872,802	7,710,846	845,049	1,363,137	9,717,851	9,073,983	643,868
Long-Term Liabilities	10,568,174	11,718,508	16,719,027	17,958,742	27,287,201	29,677,250	(2,390,049)
<i>Total Liabilities</i>	<u>19,440,976</u>	<u>19,429,354</u>	<u>17,564,076</u>	<u>19,321,879</u>	<u>37,005,052</u>	<u>38,751,233</u>	<u>(1,746,181)</u>
Net Assets:							
Invested in Capital Assets, Net of Related Debt	57,492,409	56,578,526	13,391,926	11,700,861	70,884,335	68,279,387	2,604,948
Restricted	11,579,836	9,231,712	0	0	11,579,836	9,231,712	2,348,124
Unrestricted	5,834,667	7,221,856	6,413,278	6,733,325	12,247,945	13,955,181	(1,707,236)
<i>Total Net Assets</i>	<u>\$74,906,912</u>	<u>\$73,032,094</u>	<u>\$19,805,204</u>	<u>\$18,434,186</u>	<u>\$94,712,116</u>	<u>\$91,466,280</u>	<u>\$3,245,836</u>

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 \$3.2 million in 2009, representing a four percent improvement over the prior year. Governmental activity net assets make up 79 percent of the City's total net assets while business-type activity net assets account for 21 percent.

Table 2 shows the changes in net assets for the year ended December 31, 2009 compared to 2008.

City of Fairborn, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2009
(Unaudited)

Table 2
Changes in Net Assets

	Governmental Activities		Business-type Activities		Total	
	2009	Restated 2008	2009	2008	2009	Restated 2008
Revenues:						
Program Revenues:						
Charges for Services	\$6,368,010	\$6,154,847	\$11,590,019	\$11,273,509	\$17,958,029	\$17,428,356
Operating Grants, Contributions and Interest	3,312,494	2,852,492	4,457	8,983	3,316,951	2,861,475
Capital Grants, Contributions and Interest	2,049,859	1,867,845	81,790	0	2,131,649	1,867,845
<i>Total Program Revenues</i>	<u>11,730,363</u>	<u>10,875,184</u>	<u>11,676,266</u>	<u>11,282,492</u>	<u>23,406,629</u>	<u>22,157,676</u>
General Revenues:						
Property Taxes	2,410,343	2,400,562	0	0	2,410,343	2,400,562
Other Local Taxes	738,667	840,651	0	0	738,667	840,651
Municipal Income Taxes	11,085,556	12,579,870	0	0	11,085,556	12,579,870
Revenue in Lieu of Taxes	310,823	294,409	0	0	310,823	294,409
Grants and Entitlements not Restricted to Specific Programs	2,148,568	2,072,364	0	0	2,148,568	2,072,364
Investment Earnings	125,503	958,903	126,621	113,524	252,124	1,072,427
Other	368,886	410,769	31,975	41,992	400,861	452,761
<i>Total General Revenues</i>	<u>17,188,346</u>	<u>19,557,528</u>	<u>158,596</u>	<u>155,516</u>	<u>17,346,942</u>	<u>19,713,044</u>
<i>Total Revenues</i>	<u>28,918,709</u>	<u>30,432,712</u>	<u>11,834,862</u>	<u>11,438,008</u>	<u>40,753,571</u>	<u>41,870,720</u>
Program Expenses:						
General Government	9,093,180	8,784,812	0	0	9,093,180	8,784,812
Public Safety	13,664,046	13,011,273	0	0	13,664,046	13,011,273
Leisure Time Activities	389,573	301,791	0	0	389,573	301,791
Community Development	1,030,438	932,039	0	0	1,030,438	932,039
Transportation and Street Repair	2,044,120	1,461,350	0	0	2,044,120	1,461,350
Public Health and Welfare	91,313	79,371	0	0	91,313	79,371
Intergovernmental	207,546	195,085	0	0	207,546	195,085
Interest and Fiscal Charges	523,675	577,333	0	0	523,675	577,333
Water	0	0	3,421,387	3,274,444	3,421,387	3,274,444
Sewer	0	0	4,339,587	4,717,417	4,339,587	4,717,417
Sanitation	0	0	2,702,870	2,109,350	2,702,870	2,109,350
<i>Total Expenses</i>	<u>27,043,891</u>	<u>25,343,054</u>	<u>10,463,844</u>	<u>10,101,211</u>	<u>37,507,735</u>	<u>35,444,265</u>
<i>Increase in Net Assets</i>	<u>1,874,818</u>	<u>5,089,658</u>	<u>1,371,018</u>	<u>1,336,797</u>	<u>3,245,836</u>	<u>6,426,455</u>
<i>Net Assets at Beginning of Year</i>	<u>73,032,094</u>	<u>67,942,436</u>	<u>18,434,186</u>	<u>17,097,389</u>	<u>91,466,280</u>	<u>85,039,825</u>
<i>Net Assets at End of Year</i>	<u>\$74,906,912</u>	<u>\$73,032,094</u>	<u>\$19,805,204</u>	<u>\$18,434,186</u>	<u>\$94,712,116</u>	<u>\$91,466,280</u>

Net assets of the City's governmental activities increased \$1.9 million as total assets increased \$1.9 million while total liabilities were virtually unchanged from the prior year. Current assets increased due to greater year-end receivables and an increase to equity in pooled cash from the note issued for the Calamityville property environmental remediation project (Calamityville note) which had not been expended at year-end.

Long-term liabilities were ten percent less than the prior year as reductions from scheduled debt service were greater than two long-term special assessment issuances in 2009, but this was offset by increases to short-term notes payable from the Calamityville note and deferred revenue.

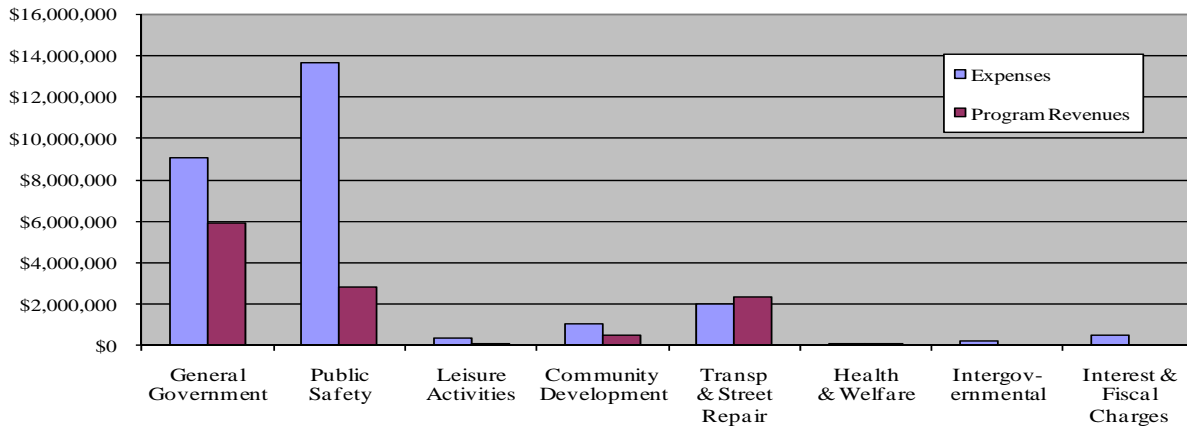
City of Fairborn, Ohio
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(Unaudited)

Net assets of the City's business-type activities increased \$1.4 million. Non-depreciable capital assets increased due to an increase in construction-in-progress and depreciable capital assets decreased due to depreciation expense and the disposal of various water and sewer equipment, while equity in pooled cash was reduced due to expenditures on water and sewer capital projects including the main pump station. Liabilities decreased \$1.8 million as contracts and retainage payables were \$.5 million lower, a \$245,000 short-term note was paid off, and long-term liabilities were \$1.2 million lower due to scheduled debt service.

Governmental Activities

The City's governmental activity expenses exceeded program revenues in 2009 by \$15.3 million. However, with an infusion of \$17.2 million of general revenues, the net result was a \$1.9 million increase in governmental activity net assets. Total net assets of governmental activities are now at \$74.9 million.

Table 3
 Expenses and Program Revenues - Governmental Activities



Program revenues supporting governmental activities were just over 40 percent of total revenues and consist of charges for services; operating grants, contributions and interest; and capital grants, contributions and interest. Table 3 demonstrates graphically the disparity between governmental activity expenses and the program revenues that are generated to support these services. This disparity is made up with general revenues which finance nearly 60 percent of governmental activities.

Income taxes and property taxes make up 79 percent of general revenues. Income tax revenues were \$1.5 million lower than 2008 as the City began to see collections decline late in 2009. Increased compliance and hard collection efforts will be stepped up in 2010 to counter this decline. Property tax revenues remained stable as 2009 matched 2008 levels.

City of Fairborn, Ohio
Management's Discussion and Analysis
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(Unaudited)

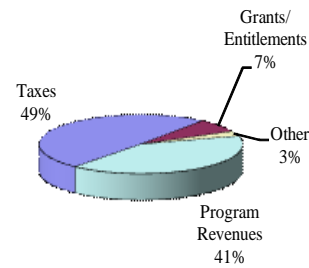
Operating grants and contributions were \$.5 million greater in 2009 than 2008 as the City received contributions from Wright State University for a portion of the local match required for the Ohio CORF grant that will be used on the Calamityville property environmental remediation project.

Investment earnings were down 87 percent in 2009 due to dwindling balances available for investment, extremely low interest rates, and losses as a result of the investment market conditions.

Income taxes and property taxes made up nearly half of total revenues for governmental activities in fiscal year 2009. The City's reliance upon tax revenues is demonstrated in Table 4 which shows that tax revenues account for approximately forty-nine percent of total revenues.

Table 4
Governmental Activity Revenues

Governmental Activity Revenues	2009	% of Total
General Revenues - Taxes	\$14,234,566	49%
General Revenues - Grants/Entitlements	2,148,568	7%
General Revenues - Other	805,212	3%
Program Revenues	11,730,363	41%
Total	\$28,918,709	100%



Because of the unique nature of property taxes in Ohio, taxing authorities must routinely seek voter approval for operating funds. In general, property tax revenue generated by an operating levy does not increase as property values increase. Instead, gross tax rates voted for by residents are reduced, if necessary, to generate the same amount of revenue annually as requested of the voters at the election. As an example, a homeowner with a home valued at \$100,000 and a voted tax rate of 1.0 mill would initially pay \$35 annually in taxes. If three years later the home were reappraised and increased to \$200,000 (and the increase in value was comparable to other properties) the gross tax rate would be reduced to an effective tax rate of .5 mills and the owner would still pay \$35.

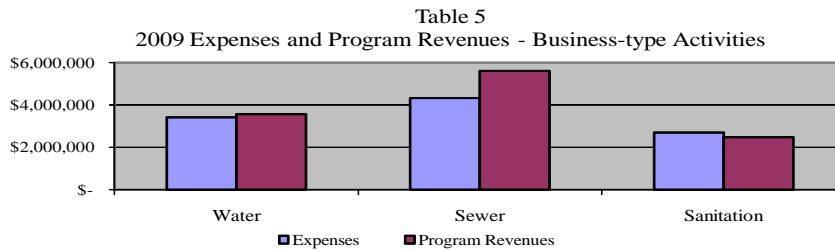
The City's income tax is based on 1.5 percent of all salaries, wages, commissions and other compensation, and on net profits earned from residents living within the City, as well as salaries and wages earned by non-residents that work within the City. However, the City allows a credit for income taxes paid to another municipality up to 100 percent of the City's current tax rate.

City of Fairborn, Ohio
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(Unaudited)

Governmental activity expenses increased eight percent over the prior year due mainly to increases to current staff compensation and health insurance. There were no significant program changes initiated in 2009 as the City attempted to maintain budgetary control by holding the line on expenses throughout the City. Public Safety expenses of \$13.7 million, largely made up of police and fire/EMS operations, were 51 percent of total governmental activity expenses. With program revenues covering only 21 percent of these expenses, reliance is heavy on subsidies from general revenues.

Business-type Activities

Net assets of the City's Water and Sewer Funds constitute 96 percent of the business-type activity net assets, with the Sanitation Fund making up the remainder. Business-type activity net assets rose seven percent to \$19.8 million. Business-type activities receive no support from tax revenues. Both the Water Fund and the Sewer Fund reported increased operating income for 2009 as usage rates for each of these services were increased in 2009. The Sanitation Fund expenses exceeded revenues as management felt the unrestricted net assets could absorb a small deficit and the decision was made not to increase refuse removal rates in 2009. Table 5 summarizes 2009 expenses and program revenues for business-type activities.



Business Activity	Expenses	Program Revenues	Difference
Water	\$ 3,421,387	\$ 3,575,774	\$ 154,387
Sewer	4,339,587	5,617,966	1,278,379
Sanitation	2,702,870	2,482,526	(220,344)
	<u>\$ 10,463,844</u>	<u>\$ 11,676,266</u>	<u>\$ 1,212,422</u>

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."

City of Fairborn, Ohio
Management's Discussion and Analysis
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The City has five major governmental funds including the General, Fire and EMS, Police, General Bond Retirement, and Tax Increment Financing fund, which combine for 18 percent of all governmental fund balances and 51 percent of the governmental funds' total assets of \$25.2 million.

At year-end, the \$9 million fund balance of all governmental funds combined was 16 percent greater than the balance from a year ago. While deficit spending occurred in the General Fund and several of the other major funds, these were offset by a total of \$2.7 million in increases to fund balances in the non-major funds. For example, each of the County Motor Vehicle License Tax Fund, City Motor Vehicle License Tax Fund, General Capital Improvement Fund, and Public Safety Equipment/Facility Fund all had increased fund balances due to reduced expenditures in 2009. The Clean Ohio Revitalization Fund contributed to the increase in governmental funds' balance due to an increase in intergovernmental revenue and contributions due to the Calaymitville property project. The Special Assessment Construction Fund contributed to the increase in governmental funds' balance as the fund retained a portion of note proceeds that had not been fully expended in 2009.

General Fund: The fund balance at year-end was \$3.8 million, a decrease of 27 percent from 2008 and the second straight year for a deficit operating condition. Revenues for 2009 were 98 percent of 2008 levels but were \$1.4 million less than expenditures and transfers (93 percent of such transfers subsidizing police and fire/EMS services). The most significant increases to expenditures were the result of increased employee salaries resulting from merit and cost-of-living increases, and health insurance costs which again were double-digit increases over the previous year. Increases to these same personal service costs were also applicable to the Fire and EMS Fund and Police Fund and were the major reason for increased expenditures in those funds.

Fire and EMS Fund: The General Fund subsidizes the Fire and EMS Fund with operating transfers that were 62 percent of total fund revenues and other financing sources in 2009 with the intent that this fund maintains a zero cash balance. Accrued expenditures exceeded accrued revenues at year-end reducing the December 31, 2009 fund balance to a negative \$.3 million.

Police Fund: The Police Fund was first established in 2009 to separately account for police operations that formerly were accounted for in the General Fund. The General Fund subsidizes the Police Fund with operating transfers that were 95 percent of total fund revenues and other financing sources in 2009 with the intent that this fund maintains a zero cash balance. Accrued expenditures exceeded accrued revenues at year-end resulting in a December 31, 2009 fund balance of negative \$.3 million.

General Bond Retirement Fund: The fund balance at December 31, 2009, was \$.3 million, a slight decrease from 2008, but relatively consistent compared to the prior year.

Tax Increment Financing Fund: A negative fund balance continues to be carried in this fund as payments in lieu of taxes revenues are not sufficient to retire the notes issued to fund the TIF district infrastructure improvements. Fund balance at December 31, 2009 was a negative \$1.9 million, a decrease of 10% from the prior year.

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General Fund Budgetary Highlights

The City's budget is required by Ohio law and is prepared on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the General Fund.

General Fund final budgeted revenues were essentially equal to original budgeted revenues. Final budgeted expenditures (including transfers) were 99 percent of the original budget for the General Fund as management attempted to hold the line on spending in 2009.

Both original and final budgets projected deficit conditions with expenditures exceeding revenues by \$1.5 million for the original and \$1.4 million for the final budget. Actual results were slightly worse in 2009 as expenditure and other financing uses continued to outpace revenues, which came in six percent under budget, and the General Fund realized an actual deficit of \$1.8 million on a cash basis. Management has found it difficult to control personal services costs, which are approximately 70 percent of General Fund expenditures, due to labor contracts and ever increasing health insurance premiums.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The City's capital assets represent all assets over the capitalization threshold used in operations that have an initial useful life of greater than one year. Table 6 summarizes the capital assets of governmental and business-type activities, net of accumulated depreciation.

A total of \$2.8 million in additions to governmental activity capital assets occurred in 2009, most of which is to infrastructure due to the street paving occurring in year five of the ten-year Street Program funded with the .25 percent income tax levy passed in 2004. The net change to capital assets from 2009 additions and deletions, after accumulated depreciation, was a decrease of \$.6 million or less than one percent, resulting in total governmental activity capital assets of \$68.9 million at year-end.

\$4.1 million of additions to business-type activity capital assets included the continued construction at the main pump station, construction of the Rona Village booster station, completion of the Northeast Mad River Well Field, and other water improvements. The net effect of this activity, after considering depreciation, was a \$2.4 million (9%) increase to business-type capital assets.

See Note 9 in the notes to the basic financial statements for further details on the City's capital assets.

City of Fairborn, Ohio
Management's Discussion and Analysis
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(Unaudited)

Table 6
Capital Assets (Net of Depreciation)

	Governmental Activities		Business-type Activities		Total	
		Restated				Restated
	2009	2008	2009	2008	2009	2008
Land	\$13,768,084	\$13,488,717	\$165,741	\$165,741	\$13,933,825	\$13,654,458
Construction in Progress	239,363	74,482	7,744,348	3,862,697	7,983,711	3,937,179
Buildings	14,503,650	14,972,463	11,066,185	11,558,739	25,569,835	26,531,202
Improvements Other Than Buildings	680,788	649,376	928,290	1,104,899	1,609,078	1,754,275
Machinery and Equipment	1,715,331	1,709,351	741,208	982,840	2,456,539	2,692,191
Vehicles	2,591,089	2,543,507	488,512	567,838	3,079,601	3,111,345
Infrastructure	35,431,052	36,069,777	7,105,192	7,607,247	42,536,244	43,677,024
Total	\$68,929,357	\$69,507,673	\$28,239,476	\$25,850,001	\$97,168,833	\$95,357,674

Debt Administration

Table 7 summarizes the 2009 and 2008 long-term debt activity of governmental and business-type activities.

Table 7
Outstanding Long-term Obligations at Year-End

	Governmental Activities		Business-type Activities	
		Restated		
	2009	2008	2009	2008
Long-term Notes	\$403,000	\$135,000	\$10,635,000	\$10,635,000
General Obligation Bonds	695,000	890,000	4,021,044	4,835,924
Revenue Bonds	5,830,729	6,818,874	0	0
Special Assessment Bonds	1,789,000	1,960,000	130,000	140,000
Landfill Closure and Postclosure	0	0	384,723	386,320
Loans	0	0	1,360,678	1,771,044
Capital Leases	669,186	804,147	4,767	5,239
Compensated Absences Payable	1,181,259	1,110,487	182,815	185,215
Totals	\$10,568,174	\$11,718,508	\$16,719,027	\$17,958,742

Governmental activity long-term obligations were reduced by \$1.2 million in 2009 due to scheduled debt service on all outstanding bonds, notes, and other long-term payables. Long-term obligations of business-type activities were reduced by \$1.2 million in 2009 due to scheduled debt service on all outstanding debt.

City of Fairborn, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2009
(Unaudited)

Under current state statutes, the City's general obligation bonded debt issues are subject to a legal limitation based on 10.5 percent of the total assessed value of real and personal property. On December 31, 2009, the City's outstanding debt was below the legal limit.

See Note 14 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, 2009

	Governmental Activities	Business-Type Activities	Total
Assets:			
Equity in Pooled Cash and Cash Equivalents	\$12,602,323	\$7,518,946	\$20,121,269
Accounts Receivable	665,669	1,046,102	1,711,771
Accrued Interest Receivable	112,600	0	112,600
Internal Balances	(209,673)	209,673	0
Assets Held for Resale	962,154	0	962,154
Materials and Supplies Inventory	222,984	225,083	448,067
Intergovernmental Receivable	2,491,659	0	2,491,659
Revenue in Lieu of Taxes Receivable	357,686	0	357,686
Municipal Income Taxes Receivable	3,873,097	0	3,873,097
Property Taxes Receivable	2,487,967	0	2,487,967
Other Local Taxes Receivable	128,506	0	128,506
Special Assessments Receivable	1,723,559	130,000	1,853,559
Nondepreciable Capital Assets	14,007,447	7,910,089	21,917,536
Depreciable Capital Assets, net	54,921,910	20,329,387	75,251,297
<i>Total Assets</i>	<u>94,347,888</u>	<u>37,369,280</u>	<u>131,717,168</u>
Liabilities:			
Accounts Payable	316,627	330,184	646,811
Contracts Payable	1,019,670	9,696	1,029,366
Retainage Payable	61,255	1,009	62,264
Accrued Wages Payable	428,251	67,853	496,104
Intergovernmental Payable	990,289	95,946	1,086,235
Refundable Deposits	0	196,404	196,404
Deferred Revenue	2,607,893	0	2,607,893
Notes Payable	3,403,473	0	3,403,473
Accrued Interest Payable	45,344	143,957	189,301
Long-Term Liabilities:			
Due Within One Year	2,485,344	1,468,384	3,953,728
Due in More Than One Year	8,082,830	15,250,643	23,333,473
<i>Total Liabilities</i>	<u>19,440,976</u>	<u>17,564,076</u>	<u>37,005,052</u>
Net Assets:			
Invested in Capital Assets, Net of Related Debt	57,492,409	13,391,926	70,884,335
Restricted for Debt Service	1,999,957	0	1,999,957
Restricted for Capital Outlay	2,826,283	0	2,826,283
Restricted for Public Safety	974,361	0	974,361
Restricted for Public Health and Welfare	40,737	0	40,737
Restricted for Transportation and Street Repair	4,494,037	0	4,494,037
Restricted for Community Development	183,686	0	183,686
Restricted for General Government	1,060,775	0	1,060,775
Unrestricted	5,834,667	6,413,278	12,247,945
<i>Total Net Assets</i>	<u>\$74,906,912</u>	<u>\$19,805,204</u>	<u>\$94,712,116</u>

See accompanying notes to the basic financial statements

City of Fairborn, Ohio
Statement of Activities
For the Year Ended December 31, 2009

	Program Revenues			
	Expenses	Charges for Services	Operating Grants, Contributions and Interest	Capital Grants, Contributions and Interest
Governmental Activities:				
General Government	\$9,093,180	\$4,735,434	\$21,892	\$1,194,197
Public Safety	13,664,046	1,570,569	1,139,190	145,106
Leisure Time Activities	389,573	15,431	0	0
Community Development	1,030,438	0	476,348	0
Transportation and Street Repair	2,044,120	0	1,675,064	687,423
Public Health and Welfare	91,313	46,576	0	23,133
Intergovernmental	207,546	0	0	0
Interest and Fiscal Charges	523,675	0	0	0
<i>Total Governmental Activities</i>	<u>27,043,891</u>	<u>6,368,010</u>	<u>3,312,494</u>	<u>2,049,859</u>
Business-Type Activities:				
Water	3,421,387	3,535,657	2,657	37,460
Sewer	4,339,587	5,571,836	1,800	44,330
Sanitation	2,702,870	2,482,526	0	0
<i>Total Business-Type Activities</i>	<u>10,463,844</u>	<u>11,590,019</u>	<u>4,457</u>	<u>81,790</u>
<i>Totals</i>	<u>\$37,507,735</u>	<u>\$17,958,029</u>	<u>\$3,316,951</u>	<u>\$2,131,649</u>

General Revenues:

Property Taxes Levied For:
General Purposes
Fire and EMS
Police
Debt Service
Street Lighting
Other Local Taxes
Municipal Income Taxes Levied For:
General Purposes
Street Programs
Capital Outlay
Revenue in Lieu of Taxes
Grants and Entitlements not
Restricted to Specific Programs
Investment Earnings
Other

Total General Revenues

Change in Net Assets

Net Assets at Beginning of Year - Restated (See Note 3)

Net Assets at End of Year

See accompanying notes to the basic financial statements

<u>Net (Expense) Revenue and Changes in Net Assets</u>		
<u>Governmental</u> <u>Activities</u>	<u>Business-Type</u> <u>Activities</u>	<u>Total</u>
(\$3,141,657)	\$0	(\$3,141,657)
(10,809,181)	0	(10,809,181)
(374,142)	0	(374,142)
(554,090)	0	(554,090)
318,367	0	318,367
(21,604)	0	(21,604)
(207,546)	0	(207,546)
(523,675)	0	(523,675)
<u>(15,313,528)</u>	<u>0</u>	<u>(15,313,528)</u>
0	154,387	154,387
0	1,278,379	1,278,379
0	(220,344)	(220,344)
<u>0</u>	<u>1,212,422</u>	<u>1,212,422</u>
<u>(15,313,528)</u>	<u>1,212,422</u>	<u>(14,101,106)</u>
1,604,334	0	1,604,334
373,388	0	373,388
148,183	0	148,183
149,933	0	149,933
134,505	0	134,505
738,667	0	738,667
7,384,148	0	7,384,148
1,853,273	0	1,853,273
1,848,135	0	1,848,135
310,823	0	310,823
2,148,568	0	2,148,568
125,503	126,621	252,124
368,886	31,975	400,861
<u>17,188,346</u>	<u>158,596</u>	<u>17,346,942</u>
1,874,818	1,371,018	3,245,836
<u>73,032,094</u>	<u>18,434,186</u>	<u>91,466,280</u>
<u>\$74,906,912</u>	<u>\$19,805,204</u>	<u>\$94,712,116</u>

City of Fairborn, Ohio
Balance Sheet
Governmental Funds
December 31, 2009

	General	Fire and EMS	Police
Assets:			
Equity in Pooled Cash and Cash Equivalents	\$2,881,540	\$174,135	\$154,948
Receivables:			
Property Taxes	1,664,808	378,970	150,695
Other Local Taxes	85,855	0	0
Municipal Income Taxes	2,606,093	0	0
Revenue in Lieu of Taxes	0	0	0
Interfund	98,750	0	0
Accounts	1,974	560,303	681
Special Assessments	0	0	0
Accrued Interest	112,600	0	0
Intergovernmental	1,211,527	27,002	47,081
Assets Held for Resale	0	0	0
Materials and Supplies Inventory	17,659	0	12,417
<i>Total Assets</i>	<u>\$8,680,806</u>	<u>\$1,140,410</u>	<u>\$365,822</u>
Liabilities and Fund Balances:			
Liabilities:			
Accounts Payable	\$178,811	\$30,380	\$15,700
Contracts Payable	0	0	0
Retainage Payable	0	0	0
Interfund Payable	2,367	5,119	10,563
Accrued Wages Payable	118,498	129,133	133,328
Intergovernmental Payable	192,301	403,971	332,749
Deferred Revenue	4,422,394	850,968	160,289
Accrued Interest Payable	0	0	0
Notes Payable	0	0	0
<i>Total Liabilities</i>	<u>4,914,371</u>	<u>1,419,571</u>	<u>652,629</u>
Fund Balances:			
Reserved for Encumbrances	243,901	87,114	39,268
Reserved for Assets Held for Resale	0	0	0
Unreserved, Undesignated (Deficit), Reported in:			
General Fund	3,522,534	0	0
Special Revenue Funds	0	(366,275)	(326,075)
Debt Service Fund	0	0	0
Capital Projects Funds	0	0	0
<i>Total Fund Balances (Deficit)</i>	<u>3,766,435</u>	<u>(279,161)</u>	<u>(286,807)</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$8,680,806</u>	<u>\$1,140,410</u>	<u>\$365,822</u>

See accompanying notes to the basic financial statements

General Bond Retirement	Tax Increment Financing	Nonmajor Governmental Funds	Total Governmental Funds
\$329,508	\$54,571	\$8,581,312	\$12,176,014
153,531	0	139,963	2,487,967
0	0	42,651	128,506
0	0	1,267,004	3,873,097
0	357,686	0	357,686
0	0	0	98,750
86,882	0	15,829	665,669
1,723,559	0	0	1,723,559
0	0	0	112,600
8,056	0	1,197,993	2,491,659
0	0	962,154	962,154
0	0	86,151	116,227
<u>\$2,301,536</u>	<u>\$412,257</u>	<u>\$12,293,057</u>	<u>\$25,193,888</u>
\$0	\$0	\$73,355	\$298,246
0	0	1,019,670	1,019,670
0	0	61,255	61,255
0	0	109,341	127,390
0	0	27,757	408,716
0	0	34,443	963,464
1,972,028	357,686	2,073,389	9,836,754
0	15,873	9,188	25,061
0	1,970,473	1,433,000	3,403,473
<u>1,972,028</u>	<u>2,344,032</u>	<u>4,841,398</u>	<u>16,144,029</u>
3,787	615	924,292	1,298,977
0	0	962,154	962,154
0	0	0	3,522,534
0	0	3,967,126	3,274,776
325,721	0	0	325,721
0	(1,932,390)	1,598,087	(334,303)
<u>329,508</u>	<u>(1,931,775)</u>	<u>7,451,659</u>	<u>9,049,859</u>
<u>\$2,301,536</u>	<u>\$412,257</u>	<u>\$12,293,057</u>	<u>\$25,193,888</u>

City of Fairborn, Ohio
*Reconciliation of Total Governmental Fund Balances to
 Net Assets of Governmental Activities
 December 31, 2009*

Total Governmental Fund Balances	\$9,049,859
 <i>Amounts reported for governmental activities in the Statement of Net Assets are different because:</i>	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets consist of:	
Capital Assets:	
Land	13,768,084
Construction in Progress	239,363
Buildings	19,370,938
Improvements Other Than Buildings	1,926,484
Machinery and Equipment	4,059,804
Vehicles	5,547,273
Infrastructure	68,025,418
Accumulated Depreciation	<u>(44,008,007)</u>
Total	68,929,357
Internal service funds are used by management to charge the costs of equipment repairs and maintenance, information technology services and, payments of employee assistance programs to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Assets.	
	501,546
Adjustment to reflect the consolidation of internal service fund activities related to enterprise activity.	
	(214,254)
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:	
Property Taxes	221,059
Municipal Income Taxes	3,093,868
Intergovernmental	1,579,888
Special Assessments	1,723,559
Charges for Services	546,131
Interest	<u>64,356</u>
Total	7,228,861
In the Statement of Activities, interest is accrued on long-term debt, whereas in governmental funds, an interest expenditure is reported when due.	
	(20,283)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. Those liabilities consist of:	
Premium on Debt Issued	(140,729)
Notes Payable	(403,000)
General Obligation Bonds	(695,000)
Income Tax Revenue Bonds	(5,690,000)
Special Assessment Bonds	(1,789,000)
Capital Leases Payable	(669,186)
Compensated Absences Payable	<u>(1,181,259)</u>
Total	<u>(10,568,174)</u>
<i>Net Assets of Governmental Activities</i>	<u><u>\$74,906,912</u></u>

See accompanying notes to the basic financial statements



City of Fairborn, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2009

	General	Fire and EMS	Police
Revenues:			
Property Taxes	\$1,616,439	\$374,858	\$147,646
Other Local Taxes	640,705	0	0
Municipal Income Taxes	7,469,822	0	0
Revenue in Lieu of Taxes	0	0	0
Fines, Licenses and Permits	1,428,231	1,350	1,995
Charges for Services	2,686,997	1,243,494	41,697
Investment Earnings	36,530	0	0
Intergovernmental	2,210,617	731,022	130,566
Special Assessments	0	0	0
Contributions and Donations	0	0	0
Other	165,140	18,628	6,906
<i>Total Revenues</i>	<u>16,254,481</u>	<u>2,369,352</u>	<u>328,810</u>
Expenditures:			
Current:			
General Government	6,211,543	0	0
Public Safety	46,438	6,236,460	5,913,744
Leisure Time Activities	223,252	0	0
Community Development	723,601	0	0
Transportation and Street Repair	0	0	0
Public Health and Welfare	0	0	0
Capital Outlay	53,747	0	93,202
Intergovernmental	0	0	0
Debt Service:			
Principal Retirement	9,988	4,897	0
Interest and Fiscal Charges	3,825	1,884	0
<i>Total Expenditures</i>	<u>7,272,394</u>	<u>6,243,241</u>	<u>6,006,946</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>8,982,087</u>	<u>(3,873,889)</u>	<u>(5,678,136)</u>
Other Financing Sources (Uses):			
Special Assessment Bonds Issued	0	0	0
Refunding Notes Issued	0	0	0
Transfers-In	0	3,849,257	5,820,530
Transfers-Out	(10,344,207)	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>(10,344,207)</u>	<u>3,849,257</u>	<u>5,820,530</u>
<i>Net Change in Fund Balances</i>	(1,362,120)	(24,632)	142,394
<i>Fund Balances (Deficit) at Beginning of Year - Restated Note 3</i>	<u>5,128,555</u>	<u>(254,529)</u>	<u>(429,201)</u>
<i>Fund Balances (Deficit) at End of Year</i>	<u><u>\$3,766,435</u></u>	<u><u>(\$279,161)</u></u>	<u><u>(\$286,807)</u></u>

See accompanying notes to the basic financial statements

General Bond Retirement	Tax Increment Financing	Nonmajor Governmental Funds	Total Governmental Funds
\$149,264	\$0	\$137,504	\$2,425,711
0	0	97,962	738,667
0	0	3,715,974	11,185,796
0	310,823	0	310,823
0	0	570,776	2,002,352
55,255	0	123,917	4,151,360
75,820	0	120,906	233,256
18,870	0	2,937,876	6,028,951
302,578	0	0	302,578
0	0	542,430	542,430
0	0	178,212	368,886
601,787	310,823	8,425,557	28,290,810
30,999	12,289	572,039	6,826,870
0	0	705,483	12,902,125
0	0	57,048	280,300
0	0	287,173	1,010,774
0	0	1,654,970	1,654,970
0	0	88,814	88,814
0	0	2,240,364	2,387,313
0	207,546	0	207,546
441,285	0	1,250,199	1,706,369
146,210	58,458	336,353	546,730
618,494	278,293	7,192,443	27,611,811
(16,707)	32,530	1,233,114	678,999
0	0	135,000	135,000
0	0	403,000	403,000
0	0	893,689	10,563,476
0	(205,969)	(13,300)	(10,563,476)
0	(205,969)	1,418,389	538,000
(16,707)	(173,439)	2,651,503	1,216,999
346,215	(1,758,336)	4,800,156	7,832,860
\$329,508	(\$1,931,775)	\$7,451,659	\$9,049,859

City of Fairborn, Ohio
*Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2009*

Net Change in Fund Balances - Total Governmental Funds		\$1,216,999
<i>Amounts reported for governmental activities in the Statement of Activities are different because:</i>		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:		
Capital Outlay	2,451,573	
Depreciation	<u>(3,115,161)</u>	
Excess of Capital Outlay and Capital Contributions over Depreciation Expense		(663,588)
Capital assets donated by developers:		383,352
Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the Statement of Activities, a gain or loss is reported for each disposal.		
Loss on Disposal of Capital Assets		(298,080)
Repayment of long-term obligations is reported as an expenditure in governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets. In the current year, these amounts consist of:		
Notes Payable	135,000	
General Obligation Bonds	195,000	
Income Tax Revenue Bonds	960,000	
Special Assessment Bonds	306,000	
Capital Leases Payable	<u>134,961</u>	
		1,730,961
The Internal Service Funds used by management to charge the costs of equipment repairs and to individual funds, is reported in the Statement of Activities. The net loss of the internal service funds is reported with governmental activities, net of the adjustment to reflect the consolidation of internal service fund activities related to business type activities.		
		(150,542)
Some revenues that will not be collected for several months after the City's year-end are not considered "available" revenues and are deferred in the governmental funds. Deferred revenues changed by these amounts:		
Property Taxes	(15,368)	
Municipal Income Taxes	(100,240)	
Investment Earnings	4,899	
Charges for Services	85,736	
Intergovernmental	435,210	
Special Assessments	<u>(174,016)</u>	
		236,221
The issuance of long-term debt provides current financial resources to governmental funds, but in the Statement of Net Assets, the debt is reported as a liability.		
Special Assessment Bonds	(135,000)	
Refunding Notes	<u>(403,000)</u>	
		(\$538,000)
		(continued)

City of Fairborn, Ohio
*Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2009
(continued)*

In the Statement of Activities, interest accrued on outstanding bonds is recongnized as an expenditure in the funds when it is due and bond premiums are amortized over the terms of the bonds, whereas in the governmental funds the revenue/expenditure is reported when the bonds are issued.

Amortization of Premium on General Obligation Bond	\$28,145	
Accrued Interest	<u>122</u>	
		28,267

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 the governmental funds. These activities consist of:

Compensated Absences		<u>(70,772)</u>
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<i>Change in Net Assets of Governmental Activities</i>		<u><u>\$1,874,818</u></u>
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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 Basis)
General Fund
For the Year Ended December 31, 2009

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property Taxes	\$1,698,000	\$1,598,460	\$1,616,439	\$17,979
Other Local Taxes	727,432	730,300	638,191	(92,109)
Municipal Income Taxes	7,896,987	7,928,119	7,473,986	(454,133)
Fines, Licenses and Permits	1,361,632	1,367,000	1,391,590	24,590
Charges for Services	2,851,403	2,862,644	2,686,997	(175,647)
Investment Earnings	398,429	400,000	267,477	(132,523)
Intergovernmental	2,170,883	2,179,441	2,013,804	(165,637)
Other	148,312	148,897	172,958	24,061
<i>Total Revenues</i>	<u>17,253,078</u>	<u>17,214,861</u>	<u>16,261,442</u>	<u>(953,419)</u>
Expenditures:				
Current:				
General Government	6,895,453	6,687,914	6,499,745	188,169
Public Safety	77,530	65,583	65,583	0
Leisure Time Activities	245,980	232,849	227,549	5,300
Community Development	815,231	760,956	733,681	27,275
Capital Outlay	0	70,150	64,972	5,178
<i>Total Expenditures</i>	<u>8,034,194</u>	<u>7,817,452</u>	<u>7,591,530</u>	<u>225,922</u>
<i>Excess of Revenues Over Expenditures</i>	<u>9,218,884</u>	<u>9,397,409</u>	<u>8,669,912</u>	<u>(727,497)</u>
Other Financing Uses:				
Advances-Out	0	(98,750)	(98,750)	0
Transfers-Out	(10,717,434)	(10,729,488)	(10,344,207)	385,281
<i>Total Other Financing Uses</i>	<u>(10,717,434)</u>	<u>(10,828,238)</u>	<u>(10,442,957)</u>	<u>385,281</u>
<i>Net Change in Fund Balance</i>	(1,498,550)	(1,430,829)	(1,773,045)	(342,216)
<i>Fund Balance at Beginning of Year</i>	3,923,284	3,923,284	3,923,284	0
<i>Prior Year Encumbrances Appropriated</i>	<u>233,541</u>	<u>233,541</u>	<u>233,541</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>\$2,658,275</u>	<u>\$2,725,996</u>	<u>\$2,383,780</u>	<u>(\$342,216)</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 Basis)
Fire and EMS Fund
For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$396,000	\$396,000	\$374,858	(\$21,142)
Fines, Licenses and Permits	1,202	1,200	1,350	150
Charges for Services	1,169,475	1,167,421	1,291,991	124,570
Intergovernmental	697,195	695,970	747,643	51,673
Other	10,300	10,282	18,648	8,366
<i>Total Revenues</i>	2,274,172	2,270,873	2,434,490	163,617
Expenditures:				
Current:				
Public Safety	6,464,628	6,399,013	6,337,449	61,564
<i>Excess of Revenues Under Expenditures</i>	(4,190,456)	(4,128,140)	(3,902,959)	225,181
Other Financing Sources:				
Transfers-In	4,098,800	4,091,599	3,849,257	(242,342)
<i>Net Change in Fund Balance</i>	(91,656)	(36,541)	(53,702)	(17,161)
<i>Fund Balance at Beginning of Year</i>	38,336	38,336	38,336	0
<i>Prior Year Encumbrances Appropriated</i>	84,656	84,656	84,656	0
<i>Fund Balance at End of Year</i>	\$31,336	\$86,451	\$69,290	(\$17,161)

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 Basis)
Police Fund
For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$154,000	\$154,000	\$147,646	(\$6,354)
Fines, Licenses and Permits	1,009	1,000	1,925	925
Charges for Services	69,623	69,000	48,637	(20,363)
Intergovernmental	54,622	54,133	93,079	38,946
Other	32,973	32,678	6,355	(26,323)
<i>Total Revenues</i>	312,227	310,811	297,642	(13,169)
Expenditures:				
Current:				
Public Safety	6,200,608	6,024,575	5,914,113	110,462
Capital Outlay	0	93,202	93,202	0
<i>Total Expenditures</i>	6,200,608	6,117,777	6,007,315	110,462
<i>Excess of Revenues Under Expenditures</i>	(5,888,381)	(5,806,966)	(5,709,673)	97,293
Other Financing Sources:				
Transfers-In	5,888,381	5,835,669	5,820,530	(15,139)
<i>Net Change in Fund Balance</i>	0	28,703	110,857	82,154
<i>Fund Balance at Beginning of Year</i>	0	0	0	0
<i>Fund Balance at End of Year</i>	\$0	\$28,703	\$110,857	\$82,154

See accompanying notes to the basic financial statements



City of Fairborn, Ohio
Statement of Fund Net Assets
Proprietary Funds
December 31, 2009

	Enterprise Funds				Internal Service Funds
	Water	Sewer	Sanitation	Total	
Assets:					
Current Assets					
Equity in Pooled Cash and Cash Equivalents	\$2,842,928	\$3,754,875	\$724,739	\$7,322,542	\$426,309
Restricted Assets:					
Equity in Pooled Cash and Cash Equivalents	65,468	65,468	65,468	196,404	0
Accounts Receivable	331,575	481,888	232,639	1,046,102	0
Interfund Receivable	0	0	0	0	33,504
Materials and Supplies Inventory	159,451	65,632	0	225,083	106,757
Special Assessments Receivable	0	130,000	0	130,000	0
<i>Total Current Assets</i>	<u>3,399,422</u>	<u>4,497,863</u>	<u>1,022,846</u>	<u>8,920,131</u>	<u>566,570</u>
Non-current Assets					
Nondepreciable Capital Assets	1,906,029	6,004,060	0	7,910,089	86,497
Depreciable Capital Assets, Net	6,099,298	14,019,843	210,246	20,329,387	282,958
<i>Total Non-current Assets</i>	<u>8,005,327</u>	<u>20,023,903</u>	<u>210,246</u>	<u>28,239,476</u>	<u>369,455</u>
<i>Total Assets</i>	<u>11,404,749</u>	<u>24,521,766</u>	<u>1,233,092</u>	<u>37,159,607</u>	<u>936,025</u>
Liabilities:					
Current Liabilities					
Accounts Payable	14,498	56,129	259,557	330,184	18,381
Contracts Payable	0	9,696	0	9,696	0
Retainage Payable	0	1,009	0	1,009	0
Accrued Wages Payable	26,692	38,770	2,391	67,853	19,535
Compensated Absences Payable	37,850	80,178	484	118,512	36,237
Intergovernmental Payable	39,776	53,626	2,544	95,946	26,825
Refundable Deposits	65,468	65,468	65,468	196,404	0
Interfund Payable	2,661	1,260	660	4,581	283
Accrued Interest Payable	48,415	95,542	0	143,957	0
General Obligation Bonds Payable	360,700	494,300	0	855,000	0
Landfill Postclosure Costs Payable	0	0	42,747	42,747	0
Capital Lease Payable	490	0	0	490	26,430
Special Assessment Bonds Payable	0	10,000	0	10,000	0
OPWC Loans Payable	16,686	0	0	16,686	0
OWDA Loans Payable	0	424,949	0	424,949	0
<i>Total Current Liabilities</i>	<u>\$613,236</u>	<u>\$1,330,927</u>	<u>\$373,851</u>	<u>\$2,318,014</u>	<u>\$127,691</u>

(continued)

City of Fairborn, Ohio
Statement of Fund Net Assets
Proprietary Funds
December 31, 2009
(Continued)

	Enterprise Funds				Internal Service Funds
	Water	Sewer	Sanitation	Total	
Long-Term Liabilities					
Notes Payable	\$3,487,000	\$7,148,000	\$0	\$10,635,000	\$0
General Obligation Bonds Payable	1,260,972	1,905,072	0	3,166,044	0
Special Assessment Bonds Payable	0	120,000	0	120,000	0
OPWC Loans Payable	91,772	0	0	91,772	0
OWDA Loans Payable	0	827,271	0	827,271	0
Landfill Postclosure Costs Payable	0	0	341,976	341,976	0
Capital Lease Payable	4,277	0	0	4,277	52,688
Compensated Absences Payable	19,723	44,570	10	64,303	15,431
<i>Total Long-Term Liabilities</i>	<u>4,863,744</u>	<u>10,044,913</u>	<u>341,986</u>	<u>15,250,643</u>	<u>68,119</u>
<i>Total Liabilities</i>	<u>5,476,980</u>	<u>11,375,840</u>	<u>715,837</u>	<u>17,568,657</u>	<u>195,810</u>
Net Assets:					
Invested in Capital Assets, Net of Related Debt	4,087,369	9,094,311	210,246	13,391,926	290,337
Unrestricted	1,840,400	4,051,615	307,009	6,199,024	449,878
<i>Total Net Assets</i>	<u>\$5,927,769</u>	<u>\$13,145,926</u>	<u>\$517,255</u>	<u>19,590,950</u>	<u>\$740,215</u>
Net assets reported for business-type activities in the statement of net assets is different because they include a proportionate share of the balance of the internal service fund.				<u>\$214,254</u>	
Net assets of Business-Type Activities				<u>\$19,805,204</u>	

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 Year Ended December 31, 2009

	Enterprise Funds				Internal Service Funds
	Water	Sewer	Sanitation	Total	
Operating Revenues:					
Charges for Services	\$3,535,657	\$5,571,836	\$2,482,526	\$11,590,019	\$1,570,736
Other	17,794	14,181	0	31,975	1,467
<i>Total Operating Revenues</i>	<u>3,553,451</u>	<u>5,586,017</u>	<u>2,482,526</u>	<u>11,621,994</u>	<u>1,572,203</u>
Operating Expenses:					
Personal Services	1,074,840	1,511,481	84,484	2,670,805	806,493
Contractual Services	1,291,173	1,446,151	2,562,627	5,299,951	223,274
Materials and Supplies	161,080	169,616	16,496	347,192	590,319
Depreciation	754,464	897,156	41,677	1,693,297	35,556
<i>Total Operating Expenses</i>	<u>3,281,557</u>	<u>4,024,404</u>	<u>2,705,284</u>	<u>10,011,245</u>	<u>1,655,642</u>
<i>Operating Income (Loss)</i>	<u>271,894</u>	<u>1,561,613</u>	<u>(222,758)</u>	<u>1,610,749</u>	<u>(83,439)</u>
Non-Operating Revenues (Expenses):					
Investment Earnings	50,835	75,786	0	126,621	8,254
Intergovernmental	2,657	1,800	0	4,457	72
Interest and Fiscal Charges	(143,817)	(320,371)	0	(464,188)	(5,212)
<i>Total Non-Operating Revenues (Expenses)</i>	<u>(90,325)</u>	<u>(242,785)</u>	<u>0</u>	<u>(333,110)</u>	<u>3,114</u>
<i>Income Before Capital Contributions</i>	181,569	1,318,828	(222,758)	1,277,639	(80,325)
Capital Contributions	37,460	44,330	0	81,790	0
<i>Change in Net Assets</i>	219,029	1,363,158	(222,758)	1,359,429	(80,325)
<i>Net Assets at Beginning of Year</i>	<u>5,708,740</u>	<u>11,782,768</u>	<u>740,013</u>		<u>820,540</u>
<i>Net Assets at End of Year</i>	<u>\$5,927,769</u>	<u>\$13,145,926</u>	<u>\$517,255</u>		<u>\$740,215</u>
<i>Adjustments to reflect the consolidation of Internal Service Funds activity related to Enterprise Funds</i>				<u>11,589</u>	
<i>Change in net assets of business-type activities</i>				<u>\$1,371,018</u>	

See accompanying notes to the basic financial statements



City of Fairborn, Ohio
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2009

	Enterprise Funds				Internal Service Funds
	Water	Sewer	Sanitation	Total	
Increase (Decrease) in Cash and Cash Equivalents					
Cash Flows from Operating Activities:					
Cash Received From Customers	\$3,502,916	\$5,542,401	\$2,468,163	\$11,513,480	\$0
Cash Received From Interfund Services Provided	0	0	0	0	1,586,151
Cash Received From Other Operating Revenues	17,335	9,202	0	26,537	1,467
Utility Deposits Received	28,215	28,215	28,215	84,645	0
Utility Deposits Returned	(25,055)	(25,055)	(25,055)	(75,165)	0
Cash Received From Other Non-Operating Revenues	5,491	3,392	0	8,883	72
Cash Payments for Employee Services and Benefits	(1,088,557)	(1,483,674)	(83,937)	(2,656,168)	(809,000)
Cash Payments to Suppliers	(1,581,561)	(2,053,920)	(2,321,629)	(5,957,110)	(839,359)
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>858,784</u>	<u>2,020,561</u>	<u>65,757</u>	<u>2,945,102</u>	<u>(60,669)</u>
Cash Flows Used for Capital and Related Financing Activities:					
Cash Received from Special Assessments	0	10,000	0	10,000	0
Acquisition of Capital Assets	(181,008)	(3,901,764)	0	(4,082,772)	(64,260)
Note Proceeds	3,487,000	7,148,000	0	10,635,000	0
Note Premiums	25,724	52,762	0	78,486	0
Notes Principal Payments	(3,732,000)	(7,148,000)	0	(10,880,000)	0
Notes Interest Payments	(102,529)	(197,678)	0	(300,207)	0
General Obligation Bond Principal Payments	(346,250)	(473,750)	0	(820,000)	0
General Obligation Bond Interest Payments	(80,248)	(113,822)	0	(194,070)	0
Special Assessment Bond Principal Payments	0	(10,000)	0	(10,000)	0
Special Assessment Bond Interest Payments	0	(5,840)	0	(5,840)	0
Loans Payable Principal Payments	(8,342)	(402,024)	0	(410,366)	0
Loans Payable Interest Payments	0	(76,699)	0	(76,699)	0
Capital Lease Principal Payments	(472)	0	0	(472)	(24,592)
Capital Lease Interest Payments	(182)	0	0	(182)	(5,212)
Capital Contributions by Customers	37,460	44,330	0	81,790	0
<i>Net Cash Used for Capital and Related Financing Activities</i>	<u>(900,847)</u>	<u>(5,074,485)</u>	<u>0</u>	<u>(5,975,332)</u>	<u>(94,064)</u>
Cash Flows from Investing Activities:					
Interest	50,835	75,786	0	126,621	8,254
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	8,772	(2,978,138)	65,757	(2,903,609)	(146,479)
<i>Cash and Cash Equivalents at Beginning of Year</i>	<u>2,899,624</u>	<u>6,798,481</u>	<u>724,450</u>	<u>10,422,555</u>	<u>572,788</u>
<i>Cash and Cash Equivalents at End of Year</i>	<u>\$2,908,396</u>	<u>\$3,820,343</u>	<u>\$790,207</u>	<u>\$7,518,946</u>	<u>\$426,309</u>

(Continued)

City of Fairborn, Ohio
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2009
(Continued)

	Enterprise Funds				Internal Service Fund
	Water	Sewer	Sanitation	Total	
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:					
Operating Income (Loss)	\$271,894	\$1,561,613	(\$222,758)	\$1,610,749	(\$83,439)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:					
Depreciation	754,464	897,156	41,677	1,693,297	35,556
Landfill Closure and Postclosure Costs	0	0	(1,597)	(1,597)	0
Other Non-Operating Revenues	5,491	3,392	0	8,883	0
Changes in Assets and Liabilities:					
(Increase) Decrease in Accounts Receivable	(33,200)	(34,414)	(14,363)	(81,977)	10
Decrease in Intergovernmental Receivable	0	0	0	0	21,282
Increase in Materials and Supplies Inventory	(7,553)	(40,478)	0	(48,031)	(22,764)
Increase in Interfund Receivable	0	0	0	0	(5,805)
Increase (Decrease) in Accounts Payable	(18,196)	3,902	258,758	244,464	(3,067)
Increase (Decrease) in Contracts Payable	(43,049)	(252,872)	0	(295,921)	0
Increase in Retainage Payable	(60,652)	(143,052)	0	(203,704)	0
Increase in Accrued Wages Payable	3,752	6,217	261	10,230	2,916
Increase (Decrease) in Intergovernmental Payable	6,422	(4,791)	176	1,807	(91)
Increase in Refundable Deposits Payable	3,160	3,160	3,160	9,480	0
Increase (Decrease) in Interfund Payable	77	(492)	237	(178)	65
Increase (Decrease) in Compensated Absences Payable	(23,826)	21,220	206	(2,400)	(5,332)
Net Cash Provided by (Used for) Operating Activities	<u>\$858,784</u>	<u>\$2,020,561</u>	<u>\$65,757</u>	<u>\$2,945,102</u>	<u>(\$60,669)</u>

See accompanying notes to the basic financial statements

City of Fairborn, Ohio
Statement of Fiduciary Assets and Liabilities
Agency Fund
December 31, 2009

Assets:	
Cash and Cash Equivalents in Segregated Accounts	<u><u>\$379,931</u></u>
Liabilities:	
Undistributed Monies	<u><u>\$379,931</u></u>

See accompanying notes to the basic financial statements

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

NOTE 1 – DESCRIPTION OF THE CITY AND REPORTING ENTITY

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. A 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 the department managers of the City.

Reporting Entity

A reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the City consists of all funds, departments, and activities that are not legally separate from the City. They comprise the City's legal entity which provides various services including police, fire, emergency medical, planning and zoning, street construction, maintenance and repair, administrative services, water services, sewer services and postclosure care of a landfill. Council and the city manager have direct responsibility for these activities.

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing board and (1) the City is able to significantly influence the programs or services performed or provided by the organization; or (2) the City is legally entitled to or can otherwise access the organization's resources; the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to the organization; or the City is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the City in that the City approves the organization's budget, the issuance of its debt or the levying of its taxes. The City has no component units.

The City also participates in the Miami Valley Regional Planning Commission (the Commission), the Regional Emergency Response Team (RERT), the Greene County Agencies for Combined Enforcement (ACE Task Force), the Community Improvement Corporation of Fairborn (CIC), and the Greene County Regional Planning and Coordination Commission (G CPRCC) 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. The City is also associated with the Public Entities Pool of Ohio (PEP) which is defined as a risk-sharing pool. These organizations are presented in Notes 22 and 23.

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Basis of Presentation

The City's Basic Financial Statements consist of government-wide statements, including a Statement of Net Assets and a Statement of Activities, and fund financial statements, which provide a more detailed level of financial information.

Government-Wide Financial Statements

The Statement of Net Assets and the Statement of Activities display information about the City as a whole. These statements include the financial activities of the primary government except for the Agency Fund. The activity of the internal service funds is eliminated to avoid "doubling up" revenues and expenses. The statements distinguish between those activities of the City that are governmental in nature and those that are considered business-type activities.

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

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund Financial Statements

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

Fund Accounting

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

Governmental Funds

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

General Fund – The General Fund accounts for and reports all financial resources not 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 – The Fire and EMS Fund accounts from a City-wide property tax levy that is expended for the cost of operating the fire and EMS departments as well as charges for services, related intergovernmental revenue, and transfers from the General Fund.

Police Fund – The Police Fund accounts for the .30 mills of inside millage that is expended for the cost of police pension payments as well as charges for services and related intergovernmental revenues, and transfers from the General Fund that are expended for the cost of operating the police department.

General Bond Retirement Fund – The General Bond Retirement Fund accounts for the accumulation of resources for, and the payment of, general long-term and special assessment debt principal and interest.

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Tax Increment Financing Fund – The Tax Increment Financing Fund accounts for revenue received from service payments 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 as well as reimbursing local school districts for a portion of the taxes lost as a result of the exemptions.

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

Proprietary Funds

Proprietary funds are used to account for the City's ongoing activities that are similar to those found in the private sector that focus on the determination of operating income, changes in net assets, financial position, and cash flows. The City's proprietary funds are enterprise and internal service funds.

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

Water Fund – The Water Fund is used to account for the operation of the City's water system.

Sewer Fund – The Sewer Fund is used to account for the operation of the City's sanitary sewer system.

Sanitation Fund – The Sanitation Fund is used to account for the operation of the City's refuse collection system.

Internal Service Funds – Internal Service Funds account for the financing of services provided by one department or agency to other departments or agencies of the City on a cost-reimbursement basis. The City's internal service funds report on vehicle and equipment maintenance services, information technology services, and employee assistance programs associated with employee health and benefits.

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fiduciary Funds

Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and agency funds. The three types of trust funds should be used to report resources held and administered by the City when it is acting in a fiduciary capacity for individuals, private organizations, or other governments. These funds are distinguished by the existence of a trust agreement that affects the degree of management involvement and the length of time that the resources are held. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The City's only fiduciary fund is an agency fund which is used to account for monies that flow through the clerk of courts' office.

Measurement Focus

Government-wide Financial Statements

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

Fund Financial Statements

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

Like the government-wide statements, the proprietary funds are accounted for using a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the Statement of Fund Net Assets. The Statement of Revenues, Expenses and Changes in Fund Net Assets presents increases (e.g., revenues) and decreases (e.g., expenses) in total net assets. The Statement of Cash Flows provides information about how the City finances and meets the cash flow needs of its proprietary activities.

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Accounting

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

Revenues – Exchange and Non-Exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded in the year in which the resources are measurable and become available. “Measurable” means the amount of the transaction can be determined and “available” means the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For the City, available means expected to be received within 60 days of year-end.

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include property taxes, revenue in lieu of taxes, municipal income taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes and revenue in lieu of taxes is recognized in the year for which the taxes are levied (See Note 6 and 8). Revenue from municipal income taxes is recognized in the year in which the exchange on which the tax is imposed takes place (See Note 7). Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year-end: municipal income taxes, intergovernmental revenues (including motor vehicle license tax, gasoline tax, and local government assistance) fines and forfeitures, and grants.

Deferred Revenue

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

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property taxes and revenue in lieu of taxes for which there is an enforceable legal claim as of December 31, 2009, but were levied to finance 2010 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met have also been recorded as deferred revenue.

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

Expenses/Expenditures

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

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

Cash and Cash Equivalents

To improve cash management, cash received by the City is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through the City's records. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents" on the financial statements.

The City's Municipal Court has its own checking accounts for collection and distributions of court fines and forfeitures which are presented on the financial statements as "Cash and Cash Equivalents in Segregated Accounts."

During 2009, the City invested in federal agency securities, money market mutual funds, and the State Treasury Asset Reserve of Ohio (STAROhio). Investments are reported at fair value which is based on quoted market prices. For investments in money market mutual funds, the fair value is determined by the fund's current share price.

STAROhio is an investment pool managed by the State Treasurer's Office 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, 2009.

The City Council has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the General Fund during 2009 amounted to \$36,530, which includes \$30,689 assigned from other funds.

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Assets Held for Resale

Assets held for resale represent properties purchased by the City which will be sold after beautification has been completed, and also a property donated to the City to be leased to Wright State University after completion of pollution remediation. This amount is offset by a fund balance reserve on the governmental fund financial statements.

Interfund Receivables/Payables

On fund financial statements, outstanding interfund loans and unpaid amounts for interfund services are reported as “Interfund Receivable” and “Interfund Payable.” Interfund balances are eliminated on the government-wide Statement of Net Assets except for any net residual amounts due between governmental and business-type activities, which are presented as “Internal Balances.”

Materials and Supplies Inventory

On government-wide financial statements, inventories are presented at the lower of cost or market on a first-in, first-out basis and are expensed when used.

On fund financial statements, inventories of governmental funds are stated at cost while inventories of proprietary funds are stated at the lower of cost or market. For all funds, cost is determined on a first-in, first-out basis. The cost of inventory items is recorded as expenditures/expenses when used.

Restricted Assets

Assets are reported as restricted when limitations on their use change the normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments or imposed by law through constitutional provisions or enabling legislation. Restricted assets in the enterprise funds represent cash and cash equivalents which have been set aside for the repayment of deposits to water, sewer and sanitation customers.

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Capital Assets

General capital assets are capital assets that are associated with and generally arise from governmental activities. They generally result from expenditures in governmental funds. These assets are reported in the governmental activities column of the government-wide Statement of Net Assets, but are not reported in the governmental fund financial statements. Internal service funds that are considered governmental activities report their capital assets in their fund financial statements as well as in the governmental activities column of the government-wide Statement of Net Assets. Capital assets used by the enterprise funds are reported in both the business-type activities column of the government-wide Statement of Net Assets and in the respective funds.

All capital assets are capitalized at cost (or estimated historical cost which is determined by indexing the current replacement cost back to the year of acquisition) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values on the date received. The City maintains a capitalization threshold of \$5,000. Improvements are capitalized and the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are expensed.

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

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

The City's infrastructure system consists of streets, curbs, gutters, sidewalks, street lights, bridges, storm water system, and water and sewer lines.

Accrued Liabilities and Long-Term Obligations

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

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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 City will compensate the employees for the benefits through paid time off or some other means. The City records a liability for accumulated unused vacation and compensatory time when earned for all employees with more than one year of service.

Sick leave benefits are accrued using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those that the City has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employees wage rates at year-end, taking into consideration any limits specified in the City's termination policy. The City records a liability for accumulated unused sick leave for all employees after 20 years of service with the City.

Premiums

On the government-wide financial statements bond premiums are deferred and amortized over the term of the bonds using the straight-line method, which approximates the effective interest method. Bond premiums are presented as an addition to the face amount of the bonds payable.

On the governmental fund financial statements, bond premiums are recognized in the period in which the debt is issue, whereas premiums on the notes are amortized over the term of the notes using the straight-line method, which approximates the effective interest method, when material. Note premiums are presented as an addition to the face of the notes payable.

Loss on Advance Refunding

On the government wide financial statements (and in the enterprise funds), an advance refunding resulting in the defeasance of debt generates an accounting gain or loss calculated by comparing the reacquisition price and the net carrying amount of the old debt. This accounting loss is amortized as interest expense over the remaining life of the old debt or the life of the new debt, whichever is shorter, and is presented as a reduction of the face amount of the new debt.

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

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

Fund Balance Reserves

The City reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent expendable resources and therefore are not available for appropriation or expenditure. Fund balance reserves have been established for encumbrances and assets held for resale.

Interfund Transactions/Internal Activity

Transfers within governmental activities are eliminated on the government-wide financial statements.

Internal allocations of overhead expenses from one function to another or within the same function are eliminated on the Statement of Activities. Payments for interfund services provided and used are not eliminated.

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

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the City, these revenues are charges for services for water, sewer, sanitation, information technology services, employee assistance programs, and for repair and maintenance of City vehicles and equipment. Operating expenses are the necessary costs incurred to provide the services that are the primary activities of these funds. Revenues and expenses that do not meet these definitions are reported as non-operating.

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Estimates

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

Budgetary Process

All funds, other than the Agency Fund, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations ordinance, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount Council may appropriate. The appropriations ordinance is Council's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by Council. The legal level of budgetary control has been established by Council at the object level (personal services, contractual services, materials and supplies, etc.).

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

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

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

NOTE 3 – CHANGE IN ACCOUNTING PRINCIPLE AND ACCOUNTING CHANGES

Change in Accounting Principle

During 2009, the City has implemented Governmental Accounting Standards Board (GASB) Statement No. 52, “Land and Other Real Estate Held as Investments by Endowments”, Statement No. 53, “Accounting and Financial Reporting for Derivative Instruments”, Statement No. 55, “The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments,” Statement No. 56, “Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements on Auditing Standards”, Statement No. 57, “OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans”, and Statement No. 58, “Accounting and Financial Reporting for Chapter 9 Bankruptcies”.

GASB Statement No. 52 establishes consistent standards for the reporting of land and other real estate held as investments by essentially similar entities. It requires endowments to report their land and other real estate investments at fair value. Governments are also required to report the changes in fair value as investment income and to disclose the methods and significant assumptions employed to determine fair value. The implementation of this statement did not result in any change in the City’s financial statements.

GASB Statement No. 53 addresses the recognition, measurement, and disclosure of information regarding derivative instruments entered into by state and local governments. It requires governments to measure derivative instruments, with the exception of synthetic guaranteed investment contracts that are fully benefit-responsive, at fair value in their economic resources measurement focus financial statements. The implementation of this statement did not result in any change in the City’s financial statements.

GASB Statement No. 55 incorporates the hierarchy of generally accepted accounting principles (GAAP) for state and local governments into the GASB authoritative literature. The GAAP hierarchy consists of the sources of accounting principles used in the preparation of financial statements of state and local governmental entities that are presented in conformity with GAAP, and the framework for selecting those principles. The implementation of this statement did not result in any change in the City’s financial statements.

GASB Statement No. 56 incorporates accounting and financial reporting guidance previously only contained in the American Institute of Certified Public Accountants’ and auditing literature into the GASB’s accounting and financial reporting literature for state and local governments. The statement’s guidance addresses related party transactions, going concern considerations, and subsequent events from the AICPA literature. The implementation of this statement did not result in any change in the City’s financial statements.

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

NOTE 3 – CHANGE IN ACCOUNTING PRINCIPLE AND ACCOUNTING CHANGES

(continued)

GASB Statement No. 57 addresses issues related to the use of the alternative measurement method and the frequency and timing of measurements by employers that participate in agent multiple-employer other postemployment benefit (OPEB) plans (that is, agent employers). The requirements in this Statement will allow more agent employers to use the alternative measurement method to produce actuarially based information for purposes of financial reporting and clarify that OPEB measures reported by agent multiple-employer OPEB plans and their participating employers should be determined at the same minimum frequency and as of a common date to improve the consistency of reporting with regard to funded status and funding progress information. The implementation of this statement did not result in any change in the City's financial statements.

GASB Statement No. 58 provides accounting and financial reporting guidance for governments that have petitioned for protection from creditors by filing for bankruptcy under Chapter 9 of the United States Bankruptcy Code. The requirements in this statement will provide more consistent recognition, measurement, display, and disclosure guidance for governments that file for Chapter 9 bankruptcy. The implementation of this statement did not result in any change in the City's financial statements.

Accounting Changes

During 2009, the City established a Police Fund. This fund was established due to inside millage for police pension payments from property tax required to be in a separate fund. All police activity was moved from the General Fund to the Police Fund. The restatement for the receivable and payables had the following effect on modified fund balances at December 31, 2008 as previously report:

	General Fund	Police Fund
Fund Balance December 31, 2008	\$4,699,354	\$0
Property Taxes Receivable	(149,432)	149,432
Accounts Receivable	(3,385)	3,385
Intergovernmental Receivable	(3,615)	3,615
Materials and Supplies Inventory	(13,801)	13,801
Accounts Payable	7,506	(7,506)
Interfund Payable	6,568	(6,568)
Accrued Wages Payble	115,011	(115,011)
Intergovernmental Payable	320,917	(320,917)
Deferred Revenue	149,432	(149,432)
Fund Balance December 31, 2008	<u>\$5,128,555</u>	<u>(\$429,201)</u>

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

NOTE 3 – CHANGE IN ACCOUNTING PRINCIPLE AND ACCOUNTING CHANGES

(continued)

During 2009, the City changed its accounting treatment for the recognition of Revenue in Lieu of Taxes Revenue. In prior years, these transactions were recognized as exchange transactions and long-term receivables and payables were recorded. The City's interpretation of the proper accounting treatment in this area changed during 2009. These transactions are now viewed as imposed non-exchange transactions, which are not subject to long-term recognition. The long-term expense was also reduced due to the change in the recognition. Also, during 2009, errors in the prior year calculation of capital assets were discovered. The restatement for the receivable, payable and capital assets had the following effect on net assets at December 31, 2008 as previously reported:

	Governmental Activities
Net Assets at December 31, 2008	\$75,407,129
Change in Revenue Recognition and Related Expense for Increment Taxes	(1,380,226)
Nondepreciable Capital Assests	(994,809)
Restated Net Assets at December 31, 2008	<u>\$73,032,094</u>

The restatement had an effect of \$99,324 on the change in net assets as was previously reported for the year ended December 31, 2008.

NOTE 4 – BUDGETARY BASIS OF ACCOUNTING

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

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

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

NOTE 4 – BUDGETARY BASIS OF ACCOUNTING (continued)

3. Encumbrances are treated as expenditures (budget basis) rather than as a reservation of fund balance (GAAP basis).
4. Cash is held by the agency fund on behalf of the City on a budget basis and allocated and reported on the balance sheet (GAAP basis) in the appropriate City funds.
5. The change in fair value of investments is not included on the budget basis operating statement. This amount is included on the GAAP basis operating statement
6. Advances-In and Advances-Out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis).

The adjustments necessary to convert the results of operations for the year on the GAAP basis to the budget basis are as follows:

Net Change in Fund Balance			
	General	Fire and EMS	Police
GAAP Basis	(\$1,362,120)	(\$24,632)	\$142,394
Revenue Accruals	(171,201)	65,138	(31,168)
Expenditure Accruals	(26,044)	10,637	43,722
Encumbrances	(293,092)	(104,845)	(44,091)
Change in Fair Value of Investments - 2009	(115,657)	0	0
Change in Fair Value of Investments - 2008	298,426	0	0
Agency Fund Allocation - 2009	(89,011)	0	0
Agency Fund Allocation - 2008	84,404	0	0
Advances	(98,750)	0	0
Budget Basis	(\$1,773,045)	(\$53,702)	\$110,857

NOTE 5 – DEPOSITS AND INVESTMENTS

The City is a charter City and has adopted an investment policy through City ordinance. The City has elected to follow the provisions of State statute. State statutes classify monies held by the City into three categories, active deposits, inactive deposits, and interim deposits.

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

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

NOTE 5 – DEPOSITS AND INVESTMENTS (continued)

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

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

Interim monies held by the City may be deposited or invested in the following securities:

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to payment of principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above;
4. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2);
6. The State Treasurer's investment pool (STAROhio); and
7. Certain bankers' acceptances and commercial paper if training requirements have been met.

The City may also invest any monies not required to be used for a period of six months or more in the following:

1. Bonds of the State of Ohio;

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

NOTE 5 – DEPOSITS AND INVESTMENTS (continued)

2. Bonds of any municipal corporation, village, county, township, or other political subdivision of this State, as to which there is no default of principal, interest, or coupons; and
3. Obligations of the City.

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. Investments may only be made through specified dealers and institutions.

Investments

As of December 31, 2009, the City had the following investments:

	Fair Value	Maturity Less Than 1 Year	Maturity 2-5 Years	S&P and Moody's Rating	Percent of Total Investments
Federal Home Loan Bank Bonds	\$11,662,195	\$0	\$11,662,195	Aaa	84.79%
Federal Farm Credit Bank Bonds	523,595	0	523,595	Aaa	N/A
Fifth Third Institutional Money					
Market Mutual Funds	21,888	21,888	0	Aaa	N/A
First American Government Obligations					
Money Market Mutual Fund	7	7	0	Aaa	N/A
STAROhio	1,546,617	1,546,617	0	Aaam	N/A
	<u>\$13,754,302</u>	<u>\$1,568,512</u>	<u>\$12,185,790</u>		

Interest Rate Risk

As a means of limiting its exposure to fair value losses caused by rising interest rates, the City's investment policy requires the portfolio to remain sufficiently liquid to enable the City to meet all operating requirements reasonably anticipated. Unless matched to a specific cash flow requirement, the City will not directly invest in securities maturing more than five years from the date of purchase. In the alternative, given the prevalence of newly issued investment securities, including callable and structured federal agency securities, in which the repayment of principal is anticipated prior to the stated final maturity date, the City will not directly invest in securities with a projected average life of more than five years from the date of purchase.

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

NOTE 5 – DEPOSITS AND INVESTMENTS (continued)

Credit Risk

Ohio law requires that STAROhio maintain the highest rating provided by at least one nationally recognized standard rating service and that the money market mutual fund be rated in the highest category at the time of purchase by at least one nationally recognized standard rating service. The City's investment policy addresses credit risk by stating that credit risk shall be mitigated by investing in investment grade securities and by diversifying the investment portfolio so that the failure of any one issuer would not unduly harm the City's cash flow.

Concentration of Credit Risk

The City's investment policy states that no more than 20 percent of the City's investment portfolio will be placed with any particular issuer of commercial paper or other corporate debt excepting funds which are able to be converted into cash within twenty four hours of notification to the issuer or the issuer's fiscal agent.

NOTE 6 – PROPERTY TAXES

Property taxes include amounts levied against all real, public utility and tangible personal property (used in business) located in the City. Property tax revenue received during 2009 for real and public utilities property taxes represents collections of 2008 taxes. Property tax payments received during 2009 for tangible personal property (other than public utility property) are for 2009 taxes.

2009 real property taxes are levied after October 1, 2008, on the assessed value as of January 1, 2009, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2009 real property taxes are collected in and intended to finance 2010.

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

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2009 public utility property taxes became a lien December 31, 2008, are levied after October 1, 2009, and are collected in 2010 with real property taxes.

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

NOTE 6 – PROPERTY TAXES (continued)

Tangible personal property tax revenues received in calendar year 2009 (other than public utility property) represent the collection of calendar year 2009 taxes levied against local and inter-exchange telephone companies. Tangible personal property tax on business inventory, manufacturing machinery and equipment, and furniture and fixtures is no longer levied and collected. The October 2008 tangible personal property tax settlement was the last property tax settlement for general personal property taxes. Tangible personal property taxes received from telephone companies in calendar year 2009 were levied after October 1, 2008, on the value as of December 31, 2008. Tangible personal property taxes paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable at September 20.

The full tax rate for all City operations for the year ended December 31, 2009, was \$9.50 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2009 property tax receipts were based are as follows:

<u>Category</u>	<u>Assessed Value</u>
Real Estate	\$552,208,370
Public Utility Personal	10,790,570
General Business Personal	7,381,048
Totals	<u>\$570,379,988</u>

The County Treasurer collects property taxes on behalf of all taxing districts within the County, including the City of Fairborn. The County Auditor periodically remits to the City its portion of the taxes. Property taxes receivable represents real and tangible personal property taxes, public utility taxes, and outstanding delinquencies which are measurable as of December 31, 2009, and for which there is an enforceable legal claim. In the funds, the entire receivable has been offset by deferred revenue since the current taxes were not levied to finance 2009 operations, and the collections of delinquent taxes during the available period is not subject to reasonable estimation.

On a full accrual basis, collectible delinquent property taxes have been recorded as revenue while the remainder of the receivable is deferred.

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

NOTE 7 – MUNICIPAL INCOME TAX

The City levies a municipal income tax of 1.5 percent on all salaries, wages, commissions, other compensation and net profits earned within the City as well as on incomes of residents earned outside 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 2009, the proceeds of the City's 1 percent income tax collections were allocated to the General Fund. However, of the 1/2 percent effective January 1, 2005, 1/4 percent is for fire equipment and facilities and 1/4 percent is for thoroughfare and residential street improvements and was therefore allocated to their respective capital project funds.

NOTE 8 – RECEIVABLES

Receivables at December 31, 2009, consisted of property taxes, other local taxes, municipal income taxes, revenue in lieu of taxes, interfund, accounts, special assessments, accrued interest and intergovernmental receivables arising from grants, entitlements and shared revenues. All receivables are considered fully collectible and will be received within one year with the exception of property taxes, income taxes, revenue in lieu of taxes, and special assessments.

Property, income taxes, and revenue in lieu of taxes, although ultimately collectible, include some portion of delinquents that will not be collected within one year. Special assessments expected to be collected in more than one year in the General Bond Retirement Fund amount to \$1,357,428 and in the Sewer Fund the amount is \$120,000. The City has \$78,925 of delinquent special assessments at December 31, 2009.

A summary of the principal items of intergovernmental receivables follows:

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

NOTE 8 – RECEIVABLES (continued)

Governmental Activities:	Amount
Local Government	\$621,550
Estate Tax	391,348
Homestead and Rollback Exemption	126,501
Tangible Personal Property Tax Reimbursement	37,785
Gasoline Tax	478,147
Motor Vehicle Tax	96,636
Jail Diversion Grant	34,680
CDBG Grant	62,768
ODOT Grant	443,831
Bulletproof Vest Partnership Grant	893
Justice Assistance Grant	12,196
Wetland Reserve Grant	1,226
Signal Interconnect Grant	76,639
Drug Abuse Resistance Education Grant	31,273
City of Beavercreek	52,305
Beavercreek Township	2,111
Greene County	21,770
Total Governmental Funds	\$2,491,659

Revenue in Lieu of Taxes Receivable

The City granted real property tax exemptions to landowners for improvements made to their properties. The City requires the owners to make an annual payment to the City in lieu of taxes in the amount that would be payable on the increase in the value of the property if not for the exemption. The City then uses these monies to pay for public infrastructure improvements benefiting the owners. Additional payments are made to Fairborn City School District and Greene County Vocational School District since they are impacted by the tax exemption for a period of up to thirty years. The City accrues a receivable for the amounts measurable at December 31, 2009 with a corresponding credit to deferred revenue.

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

NOTE 9 – CAPITAL ASSETS

Changes in general capital assets for the year ended December 31, 2009, were as follows:

	Restated Balance At 12/31/2008	Additions	Deletions	Balance At 12/31/2009
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$13,488,717	\$279,367	\$0	\$13,768,084
Construction in Progress	74,482	180,531	(15,650)	239,363
Total Capital Assets, Not Being Depreciated:	<u>13,563,199</u>	<u>459,898</u>	<u>(15,650)</u>	<u>14,007,447</u>
Depreciable Capital Assets:				
Buildings	19,370,938	0	0	19,370,938
Improvements Other Than Buildings	1,840,142	86,342	0	1,926,484
Machinery and Equipment	3,774,979	313,799	(28,974)	4,059,804
Vehicles	5,198,667	401,085	(52,479)	5,547,273
Infrastructure	67,149,462	1,589,451	(713,495)	68,025,418
Total Depreciable Capital Assets	<u>97,334,188</u>	<u>2,390,677</u>	<u>(794,948)</u>	<u>98,929,917</u>
Less Accumulated Depreciation:				
Buildings	(4,398,475)	(468,813)	0	(4,867,288)
Improvements Other Than Buildings	(1,190,766)	(54,930)	0	(1,245,696)
Machinery and Equipment	(2,065,628)	(307,819)	28,974	(2,344,473)
Vehicles	(2,655,160)	(353,503)	52,479	(2,956,184)
Infrastructure	(31,079,685)	(1,930,096)	415,415	(32,594,366)
Total Accumulated Depreciation	<u>(41,389,714)</u>	<u>(3,115,161)</u>	<u>496,868</u>	<u>(44,008,007)</u>
Depreciable Capital Assets, Net	<u>55,944,474</u>	<u>(724,484)</u>	<u>(298,080)</u>	<u>54,921,910</u>
Governmental Activities Capital Assets, Net	<u>\$69,507,673</u>	<u>(\$264,586)</u>	<u>(\$313,730)</u>	<u>\$68,929,357</u>

Additions to capital assets being depreciated include \$383,352 in assets donated by developers for the year ended December 31, 2009.

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

NOTE 9 – CAPITAL ASSETS (continued)

Depreciation expense was charged to governmental programs as follows:

General Government	\$2,212,549
Public Security	705,787
Leisure Time Activities	107,092
Community Development	20,490
Transportation and Street Repair	68,739
Public Health and Welfare	504
Total Depreciation Expense	<u><u>\$3,115,161</u></u>

Capital assets activities of the business-type activities for the year ended December 31, 2009, was as follows:

	Balance At 12/31/2008	Additions	Deletions	Balance At 12/31/2009
Business-type Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$165,741	\$0	\$0	\$165,741
Construction in Progress	3,862,697	3,908,862	(27,211)	7,744,348
Total Capital Assets, Not Being Depreciated:	4,028,438	3,908,862	(27,211)	7,910,089
Depreciable Capital Assets				
Buildings	18,793,187	0	0	18,793,187
Improvements Other Than Buildings	1,972,488	10,366	0	1,982,854
Machinery and Equipment	5,968,726	61,821	(585,501)	5,445,046
Vehicles	1,152,166	0	(33,558)	1,118,608
Infrastructure	21,684,913	148,096	0	21,833,009
Total Depreciable Capital Assets	49,571,480	220,283	(619,059)	49,172,704
Less Accumulated Depreciation:				
Buildings	(7,234,448)	(492,554)	0	(7,727,002)
Improvements Other Than Buildings	(867,589)	(186,975)	0	(1,054,564)
Machinery and Equipment	(4,985,886)	(291,790)	573,838	(4,703,838)
Vehicles	(584,328)	(71,827)	26,059	(630,096)
Infrastructure	(14,077,666)	(650,151)	0	(14,727,817)
Total Accumulated Depreciation	(27,749,917)	(1,693,297)	599,897	(28,843,317)
Depreciable Capital Assets, Net	21,821,563	(1,473,014)	(19,162)	20,329,387
Business-type Activities Capital Assets, Net	\$25,850,001	\$2,435,848	(\$46,373)	\$28,239,476

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

NOTE 10 – DEFINED BENEFIT PENSION PLANS

Ohio Public Employees Retirement System

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

OPERS provides retirement, disability and survivor benefits and annual cost-of-living adjustments to members of the Traditional Pension and Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report. Interested parties may obtain a copy by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 614-222-5601 or 800-222-7377.

Funding Policy – The Ohio Revised Code provides statutory authority for member and employer contributions. For the year ended December 31, 2009, members in state and local classifications contributed 10.0 percent of covered payroll while public safety and law enforcement members contributed 10.1 percent.

The City's 2009 contribution rate was 14.0 percent. For the period January 1 through March 31, a portion of the City's contribution equal to 7.0 percent of covered payroll was allocated to fund the post-employment health care plan; for the period April 1 through December 31, 2009 this amount was decreased to 5.5 percent. Employer contribution rates are actuarially determined. State statute sets a maximum contribution rate for the City of 14.0 percent, except for public safety and law enforcement, where the maximum employer contribution rate is 18.1 percent.

The City's required contributions for pension obligations to the Traditional Pension and Combined Plans for the years ended December 31, 2009, 2008, and 2007 were \$664,699, \$439,780, and \$987,441, respectively; 89.68 percent has been contributed for 2009 and 100 percent for 2008 and 2007. Contributions to the member-directed plan for 2009 were \$16,283 made by the City and \$11,631 made by plan members.

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

NOTE 10 – DEFINED BENEFIT PENSION PLANS (continued)

Ohio Police and Fire Pension Fund

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

Funding Policy – Plan members are required to contribute 10.0 percent of their annual covered salary, while employers are required to contribute 19.5 percent for police officers and 24.0 percent for firefighters. The City's contributions to OP&F for police and firefighters were \$396,273 and \$671,572 for the year ended December 31, 2009, \$402,902, and \$701,121 for the year ended December 31, 2008, and \$560,733 and \$859,281 for the year ended December 31, 2007. 69.46 percent for police and 71.74 percent for firefighters has been contributed for 2009. The full amount has been contributed for 2008 and 2007.

NOTE 11 – POST-EMPLOYMENT BENEFITS

Ohio Public Employees Retirement System

Plan Description – Ohio Public Employees Retirement System (OPERS) maintains a cost-sharing multiple-employer defined benefit post-employment health care plan for 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. The plan includes a medical plan, prescription drug program and Medicare Part B premium reimbursement.

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

Disclosures for the health care plan are presented separately in the OPERS financial report which may be obtained by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 614-222-5601 or 800-222-7377.

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

NOTE 11 – POST-EMPLOYMENT BENEFITS (continued)

Funding Policy – The post-employment health care plan was established under, and is administrated in accordance with, Internal Revenue Code 401(h). State Statute requires that public employers fund post-employment health care through contributions to OPERS. A portion of each employer’s contribution to OPERS is set aside for the funding of post-retirement health care.

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2009, state and local employers contributed at a rate of 14.0 percent of covered payroll, and public safety and law enforcement employers contributed at 17.63 percent. Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of post-employment health care benefits. The amount of employer contributions which were allocated to fund post-employment health care was 7.0 percent from January 1 through March 31, 2009, and 5.5 percent from April 1 through December 31, 2009.

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. Active members do not make contributions to the post-employment health care plan.

The City’s contributions allocated to fund post-employment health care benefits for the years ended December 31, 2009, 2008, and 2007 were \$430,100, \$439,780, and \$175,930, respectively; 89.68 percent has been contributed for 2009 and 100 percent for 2008 and 2007.

The Health Care Preservation Plan (HCPP) adopted by the OPERS Retirement Board on September 9, 2004, was effective January 1, 2007. Member and employer contribution rates increased on January 1 of each year from 2006 to 2008. Rates for law and public safety employers increased over a six year period beginning on January 1, 2006, with a final rate increase on January 1, 2011. These rate increases allowed additional funds to be allocated to the health care plan.

Ohio Police and Fire Pension Fund

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

OP&F provides access to post-retirement health care 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 health care coverage provided by OP&F meets the definition of an Other Post-Employment Benefit (OPEB) as described in GASB Statement No. 45.

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

NOTE 11 – POST-EMPLOYMENT BENEFITS (continued)

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 health care coverage to eligible participants and to establish and amend benefits is 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, 19.5 percent and 24.0 percent of covered payroll for police and fire employers, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.5 percent of covered payroll for police employer units and 24.0 percent of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For the year ended December 31, 2009, the employer contribution allocated to the health care plan was 6.75 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

The OP&F Board of Trustees also is authorized to establish requirements for contributions to the health care 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.

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

NOTE 11 – POST-EMPLOYMENT BENEFITS (continued)

The City's contributions to OP&F which were allocated to fund post-employment health care benefits for police and firefighters were \$209,791 and \$262,789 for the year ended December 31, 2009, \$213,301 and \$274,352 for the year ended December 31, 2008, and \$194,014 and \$241,458 for the year ended December 31, 2007. 69.46 percent has been contributed for police and 71.74 percent has been contributed for firefighters for 2009. The full amount has been contributed for 2008 and 2007.

NOTE 12 – OTHER EMPLOYEE BENEFITS

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.

Medical, Dental and Life Insurance Benefits

The City provides medical, dental and life insurance benefits for all employees regularly scheduled to work 30 hours or more per work. On an annual basis, the City reviews health insurance options and determines the level of coverage offered, insurance carrier and plan. Currently, all administration, clerical and technical non-union employees can select either a single or family United Healthcare (UHC) health savings account. FOP, AFSCME and IAFF personnel can select from one of three United Healthcare medical plans; either a UHS traditional base plan, UHC traditional buy-up plan or the health savings account. The City provides a portion of the HSA annual deductible amount on behalf of the employee; currently \$1,500 for single plans and \$3,000 for family plans. For the traditional base and buy-up plan, the City's premium liability remains the same with the employees who elect the buy-up plan paying the premium difference between the two plans.

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

NOTE 12 – OTHER EMPLOYEE BENEFITS (continued)

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 the Ohio AFSCME Care Plan dental insurance for AFSCME, FOP & IAFF personnel. Dental Insurance for non-union personnel is provided by Superior Dental.

NOTE 13 – SHORT-TERM OBLIGATIONS

Changes in short-term obligations during 2009 were as follows:

<u>Types/Issues</u>	<u>Balance at 12/31/2008</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance at 12/31/2009</u>
<u>Governmental Activities</u>				
2.50% - Commerce Boulevard Extension Tax Increment Financing Bond Anticipation Note	\$1,600,000	\$1,600,000	\$1,600,000	\$1,600,000
Premium	0	11,820	0	11,820
2.25% - Police Dispatch Bond Anticipation Note	325,000	135,000	325,000	135,000
2.25% - Roadway Improvement Tax Increment Financing Bond Anticipation Note	161,000	161,000	161,000	161,000
Premium	0	891	0	891
3.76% - Roadway Improvement Tax Increment Financing Bond Anticipation Note	279,000	196,762	279,000	196,762
3.25% - Special Assessment Bond Anticipation Note	125,000	0	125,000	0
2.00% - Calamityville Bond Anticipation Note	0	1,200,000	0	1,200,000
2.00% - Special Assessment Various Purpose Bond Anticipation Note	0	98,000	0	98,000
Total Governmental Funds	<u>\$2,490,000</u>	<u>\$3,403,473</u>	<u>\$2,490,000</u>	<u>\$3,403,473</u>
<u>Business-Type Activities:</u>				
2.50% - Water Various Improvement Bond Anticipation Note	<u>\$245,000</u>	<u>\$0</u>	<u>\$245,000</u>	<u>\$0</u>

The notes are issued in anticipation of long-term bond financing and will be refinanced until such bonds are issued. They are backed by the full faith and credit of the City and mature within one year. The liability for the notes is presented in the fund that received the note proceeds.

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

NOTE 14 – LONG-TERM OBLIGATIONS

The summary of changes in long-term obligations of the governmental activities of the City during 2009 follows:

Types/Issues	Balance at 12/31/2008	Increases	Decreases	Balance at 12/31/2009	Due Within One Year
<u>Notes Payable:</u>					
2008 3.25% - Sidewalk Special Assessment Bond Anticipation Note \$260,000	\$135,000	\$0	\$135,000	\$0	\$0
2009 2.00% - Special Assessment Various Purpose Bond Anticipation Note - \$11,136,000	0	403,000	0	403,000	0
Total Notes Payable	135,000	403,000	135,000	403,000	0
<u>Voted General Obligation Bonds:</u>					
2001 3.00 to 4.20% Fairborn Library Refunding \$1,370,000	420,000	0	135,000	285,000	140,000
<u>Unvoted General Obligation Bonds:</u>					
1999 5.00% Street Improvement \$250,000	30,000	0	30,000	0	0
2003 3.50 to 4.75% Municipal Court Building Renovations \$455,000	380,000	0	20,000	360,000	20,000
2004 2.00 to 3.50% Municipal Building \$100,000	60,000	0	10,000	50,000	10,000
Total Unvoted General Obligation Bonds	470,000	0	60,000	410,000	30,000
Total General Obligation Bonds	890,000	0	195,000	695,000	170,000
<u>Income Tax Revenue Bonds:</u>					
2005 3.00 to 4.50% Income Tax \$10,000,000 Premium	6,650,000	0	960,000	5,690,000	1,000,000
	168,874	0	28,145	140,729	0
Total Income Tax Revenue Bonds	6,818,874	0	988,145	5,830,729	1,000,000
<u>Special Assessment Bonds with Governmental Commitment:</u>					
1998 5.15% Commerce Center Channingway \$1,160,000	725,000	0	55,000	670,000	60,000
2003 4.00 to 8.30% Dayton - Yellow Springs Improvement \$305,000	255,000	0	11,000	244,000	12,000
2006 4.00% Curb and Sidewalk \$505,000	315,000	0	100,000	215,000	105,000
2007 4.00% Curb and Sidewalk \$465,000	385,000	0	90,000	295,000	95,000
2008 3.75% Curb and Sidewalk \$280,000	280,000	0	50,000	230,000	55,000
2009 Curb and Sidewalk \$135,000				0	
2009 3.75% Curb and Sidewalk \$135,000	0	135,000	0	135,000	25,000
Total Special Assessment Bonds	1,960,000	135,000	306,000	1,789,000	352,000
<u>Other Long-Term Obligations:</u>					
Capital Leases Payable	804,147	0	134,961	669,186	141,922
Compensated Absences Payable	1,110,487	1,013,847	943,075	1,181,259	821,422
Total Other Long-Term Obligations	1,914,634	1,013,847	1,078,036	1,850,445	963,344
Total Governmental Activities	\$11,718,508	\$1,551,847	\$2,702,181	\$10,568,174	\$2,485,344

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

NOTE 14 – LONG-TERM OBLIGATIONS (continued)

The 2009 Sidewalk Special Assessment Bond Anticipation Note was issued on May 20, 2009, in the amount of \$501,000 for the purpose of constructing and repairing curbs, sidewalks and driveway approaches. The note was issued at a 2.00 percent interest rate and reached maturity on May 20, 2010. This note was refinanced prior to the issuance of the 2009 statements for \$403,000. This portion of the note was a long-term liability with the remaining \$98,000 being reported as a short-term obligation. The note will be paid through the General Bond Retirement Debt Service Fund. The note is backed by the full faith and credit of the City and is a general obligation of the City.

The \$1,370,000 Fairborn Library refunding general obligation bonds were issued for the purpose of advance refunding \$1,370,000 outstanding Fairborn Library bonds. The bonds were issued for a ten year period, with final maturity in December, 2011, and will be paid through the General Bond Retirement Debt Service Fund with property tax revenue.

As of December 31, 2009, \$285,000 of the original defeased Fairborn Library bonds were unmatured and unpaid.

The \$250,000 Street Improvement general obligation bonds were issued for the purpose of making improvements to various streets in the City. The bonds were issued for a ten-year period, with final maturity in December, 2009, and were paid through the General Capital Improvement Capital Projects Fund with transfers from the General Fund.

The \$455,000 Municipal Court Building Renovation general obligation bonds were issued for the purpose of making improvements and renovations to the court building. The bonds were issued for a thirteen year period, with final maturity in December, 2016, and will be paid through the Building and Land Capital Projects Fund with transfers from the General Fund.

The \$100,000 Municipal Building general obligation bonds were issued for the purpose of making improvements and renovations to the municipal building. The bonds were issued for a ten-year period, with final maturity in December, 2014, and will be paid through the Building and Land Capital Projects Fund with transfers from the General Fund.

The \$10,000,000 Income Tax revenue bonds were issued for the purpose of building fire facilities. The bonds were issued for a ten-year period, with final maturity in December, 2014, and will be paid through the Public Safety Equipment/Facility Fund with municipal income tax revenue.

The Commerce Center/Channingway special assessment bonds were issued to finance the construction and improvements of Commerce Center and Channingway Drive. These bonds are being paid through the General Bond Retirement Debt Service Fund with special assessments revenue.

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

NOTE 14 – LONG-TERM OBLIGATIONS (continued)

The Dayton – Yellow Springs Improvement special assessment bonds were issued to finance the expansion and improvements of Dayton – Yellow Springs Road. These bonds are being paid through the General Bond Retirement Debt Service Fund with special assessments revenue.

The 2006, 2007, 2008, and 2009 Curb and Sidewalk special assessment bonds were issued for the purpose of constructing and repairing curbs, sidewalks and driveway approaches throughout the City. Each bond issue is being paid through the General Bond Retirement Debt Service Fund with special assessments revenue.

The special assessment bond issues are backed by the full faith and credit of the City. In the event that an assessed property owner fails to make payments, the City will be required to pay the related debt.

Capital lease obligations will be paid from the General, Fire and EMS, Court Special Projects, Equipment, and Information Technology Funds. Compensated absences will be paid from the General, Fire and EMS, Police, Street Maintenance and Repair, State Highway, Cemetery, Community Development and Victim Witness Special Revenue Funds.

A summary of the long-term obligations reported for business-type activities during 2009 were as follows:

Types/Issues	Balance at 12/31/2008	Increases	Decreases	Balance at 12/31/2009	Due Within One Year
<u>Notes Payable:</u>					
2008 2.50% - Water Various Purpose Bond Anticipation \$3,487,000	\$3,487,000	\$0	\$3,487,000	\$0	\$0
2008 2.50% - Sewer Various Purpose Bond Anticipation \$7,148,000	7,148,000	0	7,148,000	0	0
2009 2.00% - Water Various Purpose Bond Anticipation \$3,487,000	0	3,487,000	0	3,487,000	0
2009 2.00% - Sewer Various Purpose Bond Anticipation \$7,148,000	0	7,148,000	0	7,148,000	0
Total Notes Payable	\$10,635,000	\$10,635,000	\$10,635,000	\$10,635,000	\$0

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

NOTE 14 – LONG-TERM OBLIGATIONS (continued)

Types/Issues	Balance at 12/31/2008	Increases	Decreases	Balance at 12/31/2009	Due Within One Year
<u>General Obligation Bonds</u>					
2001 3.00 to 4.20% Water Utility					
Improvement Refunding Bonds \$1,980,000	\$617,500	\$0	\$195,000	\$422,500	\$205,000
Deferred Loss	(7,038)	0	(2,560)	(4,478)	0
2001 3.00 to 4.20% Sewer Utility					
Improvement Refunding Bonds \$1,980,000	617,500	0	195,000	422,500	205,000
Deferred Loss	(7,038)	0	(2,560)	(4,478)	0
2001 3.50 to 4.20% Water Various					
Purpose \$927,500	317,500	0	102,500	215,000	105,000
2001 3.50 to 4.20% Sewer Various					
Purpose \$927,500	317,500	0	102,500	215,000	105,000
2003 5.00% Sewer Various Purpose \$790,000	320,000	0	100,000	220,000	105,000
2004 2.00% Water Various Purpose \$1,218,750	1,037,400	0	48,750	988,650	50,700
2004 2.00% Sewer Various Purpose \$1,906,250	1,622,600	0	76,250	1,546,350	79,300
Total General Obligation Bonds	<u>4,835,924</u>	<u>0</u>	<u>814,880</u>	<u>4,021,044</u>	<u>855,000</u>
<u>Special Assessment Bonds with Governmental Commitment</u>					
2003 5.00% Sewer Various Purpose \$170,000	140,000	0	10,000	130,000	10,000
<u>Loans Payable</u>					
OPWC 0% Water \$334,216	116,800	0	8,342	108,458	16,686
1986 OWDA 8.97% Sewer \$1,138,302	203,435	0	97,356	106,079	106,079
1993 OWDA 8.97% Sewer \$2,519,598	728,743	0	168,405	560,338	177,275
1994 OWDA 8.97% Sewer \$200,279	53,900	0	12,774	41,126	13,230
1999 OWDA 8.97% Sewer \$1,672,365	668,166	0	123,489	544,677	128,365
Total Loans Payable	<u>1,771,044</u>	<u>0</u>	<u>410,366</u>	<u>1,360,678</u>	<u>441,635</u>
<u>Other Long-Term Obligations</u>					
Landfill Closure and Postclosure	386,320	41,150	42,747	384,723	42,747
Capital Leases	5,239	0	472	4,767	490
Compensated Absences	185,215	148,444	150,844	182,815	118,512
Total Other Long-Term Obligations	<u>576,774</u>	<u>189,594</u>	<u>194,063</u>	<u>572,305</u>	<u>161,749</u>
Total Business-type Activities	<u>\$17,958,742</u>	<u>\$10,824,594</u>	<u>\$12,064,309</u>	<u>\$16,719,027</u>	<u>\$1,468,384</u>

The 2009 Water Various Purpose bond anticipation note was issued on May 20, 2009, in the amount of \$3,487,000 for various repairs, updates and construction to the City's water system. The note was issued at a 2.00 percent interest rate and reached maturity on May, 20, 2010. This note was refinanced prior to the issuance of the 2009 statements for \$3,487,000 with a general obligation various purpose bond. This portion of the note was a long-term liability. The note will be paid through the Water Fund. The note is backed by the full faith and credit of the City and is a general obligation of the City.

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

NOTE 14 – LONG-TERM OBLIGATIONS (continued)

The 2009 Sewer Various Purpose bond anticipation note was issued on May 20, 2009, in the amount of \$7,148,000 for various repairs, updates and construction to the City's sewer system. The note was issued at a 2.00 percent interest rate and reached maturity on May 20, 2010. This note was refinanced prior to the issuance of the 2009 statements for \$7,148,000 with a general obligation various purpose bond. This portion of the note was a long-term liability. The note will be paid through the Sewer Fund. The note is backed by the full faith and credit of the City and is a general obligation of the City.

The \$1,980,000 Water Utility Improvement Refunding general obligation bonds were issued for the purpose of advance refunding \$1,807,500 of the Water Utility Improvement bonds. The bonds were issued for a twenty year period, with final maturity in October, 2011. Current operations in the Water Fund are expected to provide sufficient cash flows to fund debt service requirements. As of December 31, 2009, \$637,500 of the defeased bonds were unmatured and unpaid.

The \$1,980,000 Sewer Utility Improvement Refunding general obligation bonds were issued for the purpose of advance refunding \$1,807,500 of the Sewer Utility Improvement bonds. The bonds were issued for a twenty year period, with final maturity in October, 2011. Current operations in the Sewer Fund are expected to provide sufficient cash flows to fund debt service requirements. As of December 31, 2009, \$637,500 of the defeased bonds were unmatured and unpaid.

The \$927,500 Water Various Purpose general obligation bonds were issued for various repairs, updates and construction to the City's water system. The bonds were issued for a ten year period, with final maturity in October, 2011. Current operations in the Water Fund are expected to provide sufficient cash flows to fund debt service requirements.

The \$927,500 Sewer Various Purpose general obligation bonds were issued for various repairs, updates and construction to the City's Sewer system. The bonds were issued for a ten year period, with final maturity in October, 2011. Current operations in the Sewer Fund are expected to provide sufficient cash flows to fund debt service requirements.

The \$790,000 Sewer Various Purpose general obligation bonds were issued for the construction of sewer lines around Dayton – Yellow Springs Road. The bonds were issued for an eight year period, with final maturity in December, 2011. Current operations in the Sewer Fund are expected to provide sufficient cash flows to fund debt service requirements.

The \$1,218,750 Water Various Purpose general obligation bonds were issued for various repairs, updates and construction to the City's water system. The bonds were issued for a twenty year period, with final maturity in December, 2024. Current operations in the Water Fund are expected to provide sufficient cash flows to fund debt service requirements.

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

NOTE 14 – LONG-TERM OBLIGATIONS (continued)

The \$1,906,250 Sewer Various Purpose general obligation bonds were issued for various repairs, updates and construction to the City's Sewer system. The bonds were issued for a twenty year period, with final maturity in December, 2024. Current operations in the Sewer Fund are expected to provide sufficient cash flows to fund debt service requirements.

The Sewer Various Purpose special assessment bonds were issued to finance the construction of sewer lines around Dayton – Yellow Springs Road. These bonds are being paid through the Sewer Fund with special assessments revenue. These bonds are backed by the full faith and credit of the City. In the event that an assessed property owner fails to make payments, the City will be required to pay the related debt.

The City has pledged future water customer revenues, net of specified operating expenses, to repay \$108,458 in water system OPWC loans. Proceeds from these loans provided financing for the construction of water system improvements to the water reclamation center. The loans are payable solely from water customer net revenues and are payable through 2016. Annual principal and interest payments on the loans are expected to require less than one percent of net revenues. The total principal remaining to be paid on the loans is \$108,458. Principal paid for the current year and total customer net revenues were \$8,342 and \$1,026,358, respectively.

The City has pledged future sewer customer revenues, net of specified operating expenses, to repay \$1,365,411 in sewer system OWDA loans. Proceeds from these loans provided financing for the construction of sewer system improvements to the water reclamation center. The loans are payable solely from sewer customer net revenues and are payable through 2013. Annual principal and interest payments on the loans are expected to require less than 16 percent of net revenues. The total principal remaining to be paid on the loans is \$1,252,220. Principal paid for the current year and total customer net revenues were \$402,024 and \$2,458,769, respectively.

The City's overall legal debt margin was \$59,520,620 at December 31, 2009, and the unvoted debt margin was \$31,001,620.

A summary of the City's future long-term debt funding requirements including principal and interest payments as of December 31, 2009 follows:

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

NOTE 14 – LONG-TERM OBLIGATIONS (continued)

Governmental Activities						
December 31,	General Obligation Bonds		Income Tax Revenue Bonds		Special Assessment Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2010	\$170,000	\$30,355	\$1,000,000	\$229,050	\$352,000	\$79,878
2011	175,000	23,440	1,105,000	194,050	363,000	64,792
2012	30,000	16,165	1,145,000	152,613	264,000	49,588
2013	30,000	14,940	1,195,000	106,813	175,000	38,493
2014	100,000	13,650	1,245,000	56,025	121,000	30,867
2015-2019	190,000	14,138	0	0	434,000	76,505
2020-2023	0	0	0	0	80,000	9,000
Total	<u>\$695,000</u>	<u>\$112,688</u>	<u>\$5,690,000</u>	<u>\$738,551</u>	<u>\$1,789,000</u>	<u>\$349,123</u>

Business type Activities							
December 31,	General Obligation Bonds		Special Assessment Bonds		OPWC Loan	OWDA Loans	
	Principal	Interest	Principal	Interest	Principal	Principal	Interest
2010	\$855,000	\$163,994	\$10,000	\$5,550	\$16,686	\$424,949	\$57,783
2011	905,000	131,419	5,000	5,240	16,686	333,748	33,379
2012	135,000	95,928	5,000	5,075	16,686	349,343	17,787
2013	140,000	91,542	10,000	5,075	16,686	144,180	4,242
2014	145,000	86,782	10,000	4,870	16,686	0	0
2015-2019	820,000	347,796	50,000	16,090	25,028	0	0
2020-2024	1,030,000	138,302	40,000	4,700	0	0	0
Total	<u>\$4,030,000</u>	<u>\$1,055,763</u>	<u>\$130,000</u>	<u>\$46,600</u>	<u>\$108,458</u>	<u>\$1,252,220</u>	<u>\$113,191</u>

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, State or 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, 2009, there was one series of Industrial Revenue Bonds outstanding with an aggregate principal amount payable of \$771,250. The original issue amount totaled \$2,500,000.

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

NOTE 15 – 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 30 years after closure. The City's landfill placed its final cover in 1989. The \$384,723 reported as landfill postclosure care liability in the Sanitation Fund at December 31, 2009, 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 16 – CAPITAL LEASES - LESSEE DISCLOSURE

In prior years, the City entered into lease agreements for a truck, municipal court space at Skyway Plaza, communication equipment and energy conservation improvements. The original amount of the energy conservation lease was for \$1,045,900 with \$237,487 being considered a capital lease and \$808,414 being considered an operating lease. As part of the agreement for 2008 energy conservation improvements, Citicapital Municipal Finance, as lessor, deposited \$1,045,900 into a separate bank account in the City's name.

Each lease meets the criteria of a capital lease as defined by *Statement of Financial Accounting Standards No. 13, "Accounting for Leases,"* which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. Capital lease payments have been reclassified and are reflected as debt service expenditures in the Basic Financial Statements for the governmental funds. For the business-type activities and internal service funds, principal payments are reflected as a decrease to the liability on the Statement of Fund Net Assets. These expenditures are reflected as program/function expenditures on a budgetary basis.

Capital assets acquired by leases have been capitalized in the amount of \$1,236,778 for governmental activities and \$5,469 in the business-type activities which equaled the present value of the future minimum lease payments at the time of acquisition. Principal payments in 2009 totaled \$134,961 in governmental activities and \$472 in business-type activities.

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

NOTE 16 – CAPITAL LEASES - LESSEE DISCLOSURE (continued)

The assets acquired through capital leases are as follows:

	<u>Asset Value</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value December 31, 2009</u>
Asset:			
Governmental Activities			
Buildings	\$944,870	(\$115,484)	\$829,386
Machinery and Equipment	291,908	(38,048)	253,860
Total Governmental Funds	<u>\$1,236,778</u>	<u>(\$153,532)</u>	<u>\$1,083,246</u>
Business-type Activities			
Machinery and Equipment	<u>\$5,469</u>	<u>(\$638)</u>	<u>\$4,831</u>

The following is a schedule of the future minimum lease payments required under the capital leases and the present value of the minimum lease payments as of December 31, 2009.

<u>December 31,</u>	<u>Governmental Activities Total Payments</u>	<u>Business- type Activities Total Payments</u>
2010	\$169,234	\$654
2011	152,293	654
2012	146,647	654
2013	146,647	654
2014	41,095	654
2015-2018	<u>97,223</u>	<u>2,293</u>
Total	753,139	5,563
Less: Amount Representing Interest	<u>(83,953)</u>	<u>(796)</u>
Present Value of Minimum Lease Payments	<u>\$669,186</u>	<u>\$4,767</u>

NOTE 17 – OPERATING LEASE – LESSEE DISCLOSURE

In prior years, the City entered into a lease purchase agreement with Citicapital Municipal Finance to finance energy conservation improvements made to various buildings and infrastructure throughout the City. The original amount of the lease was for \$1,045,900 with \$237,487 being considered a capital lease and \$808,413 being considered an operating lease. The lease commenced on May 27, 2008 and ends May 27, 2018. The lease is non-callable until November 27, 2010, at which time the City can exercise the option to purchase the lease. Operating lease payments made during 2009 were \$96,745.

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

NOTE 17 – OPERATING LEASE – LESSEE DISCLOSURE (continued)

The future minimum lease payments are as follows:

December 31,	Payment Total
2010	\$96,741
2011	96,741
2012	96,741
2013	96,741
2014	96,741
2015-2018	338,595
Total	\$822,300

NOTE 18 – INTERFUND ASSETS/LIABILITIES

Interfund balances at December 31, 2009, consisted of the following amounts and result from the time lag between the dates that (1) interfund goods or services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. All are expected to be paid within one year.

Interfund Payable	Interfund Receivable		
	General Fund	Internal Service Funds	Total
General Fund	\$0	\$2,367	\$2,367
Fire and EMS Fund	0	5,119	5,119
Police Fund	0	10,563	10,563
Nonmajor			
Governmental Funds	98,750	10,591	109,341
Water Fund	0	2,661	2,661
Sewer Fund	0	1,260	1,260
Sanitation Fund	0	660	660
Internal Service Funds	0	283	283
Total	\$98,750	\$33,504	\$132,254

Transfers made during the year ended December 31, 2009, were as follows:

Transfers From	Transfers To			
	Fire and EMS Fund	Police Fund	Nonmajor Governmental Funds	Total
General Fund	\$3,849,257	\$5,820,530	\$674,420	\$10,344,207
Tax Increment Financing Fund	0	0	205,969	205,969
Nonmajor Governmental Funds	0	0	13,300	13,300
Total	\$3,849,257	\$5,820,530	\$893,689	\$10,563,476

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

NOTE 18 – INTERFUND ASSETS/LIABILITIES (continued)

Transfers are used to move General Fund revenues that are used to subsidize various programs and for debt service requirements into other funds. The transfer from the Tax Increment Financing Fund to Nonmajor Governmental Funds was for debt payments. The transfer from Nonmajor Governmental Funds to Nonmajor Governmental Funds was to move money into a capital reserve fund.

NOTE 19 – 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 (see Note 23) 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 Insurance

For occurrences prior to January 1, 2006, PEP retains casualty risks up to \$250,000 per claim, including loss adjustment expenses. PEP pays a percentage of its contributions to APEEP. APEEP reinsures claims exceeding \$250,000, and provides up to \$1,750,000 per claim and \$10,000,000 in aggregate per year.

For occurrences on or after January 1, 2006, PEP retains casualty risk up to \$350,000 per claim, including loss adjustment expenses. PEP pays a percentage of its contribution to APEEP. APEEP reinsures claim exceeding \$350,000, and provides up to \$2,650,000 per claim and \$10,000,000 in aggregate per year.

If losses exhaust PEP's net assets, APEEP covers PEP losses up to \$5,000,000 per year, subject to an aggregate of \$10,000,000. Governments can elect additional coverage, from \$3,000,000 to \$13,000,000, General Reinsurance Corporation.

Property Insurance

Travelers reinsures specific losses exceeding \$250,000, and provides up to \$600,000,000 per occurrence. APEEP reinsures members for a specific loss 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 PEP members' total insurable values. If the stop loss is reached by payment of losses between \$100,000 and \$250,000, Travelers will reinsure specific losses exceeding \$100,000 up to their \$600,000,000 per occurrence limit.

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

NOTE 19 – RISK MANAGEMENT (continued)

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 PEP member.

Settled claims have not exceeded this commercial coverage in any of the past three years. There has been no significant reduction in coverage from last year.

Financial Position

PEP's financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and net assets at December 31, 2009 and 2008:

<u>Casualty and Property Coverage</u>	<u>2009</u>	<u>2008</u>
Assets	\$36,374,898	\$35,769,535
Liabilities	<u>15,256,862</u>	<u>15,310,206</u>
Net Assets - Unrestricted	<u>\$21,118,036</u>	<u>\$20,459,329</u>

At December 31, 2009 and 2008, respectively, casualty coverage liabilities noted above include approximately \$13.7 million and \$12.9 million of estimated incurred claims payable. The Casualty Coverage assets and net assets above also include approximately \$13.7 million and \$12.9 million of unpaid claims to be billed to approximately 447 member governments in the future, as of December 31, 2009 and 2008, 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 \$204,765. 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. The contributions for the last three years are:

<u>Contributions to PEP</u>	<u>Amount</u>
2007	\$211,306
2008	164,516
2009	204,765

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

NOTE 19 – RISK MANAGEMENT (continued)

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 20 – CONTINGENT LIABILITIES

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.

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 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. A hearing on Defendant City of Fairborn's Motion for Summary Judgment was held on June 10, 2010.

Kirk Brothers, Co. v. City of Fairborn

On June 14, 2010, Plaintiff filed a Complaint for Injunctive Relief and Declaratory Judgment in the Greene County Common Pleas Court. This complaint stems from a bid award (specifically a construction contract for mechanical bid and for electrical bid and combination) for the City of Fairborn Water Treatment Plant Improvement Project. Plaintiff is seeking the contract awarded to Peterson Construction be voided and be awarded to Kirk Brothers. A trial date is scheduled for July 1, 2010.

Marietta Dryden v. City of Fairborn

On April 28, 2010, Plaintiff filed a Complaint in the Greene County Common Pleas Court related to unlawful eviction and damage to property. Ms. Dryden claims entitlement to compensatory damages in amount reasonable for all loss and harm suffered during conduct of the City officers. An Answer of the City of Fairborn, Fairborn Police Department was filed on May 27, 2010.

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

NOTE 20 – CONTINGENT LIABILITIES (continued)

Federal and State Grants

For the period January 1, 2009, to December 31, 2009, the City received federal and state grants for specific purposes that are subject to review and audit by grantor agencies or their designee. Such audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. Based on prior experience, the City believes such disallowance, if any, would be immaterial.

NOTE 21 – CONSTRUCTION COMMITMENTS

As of December 31, 2009, the City had the following commitments with respect to capital projects:

<u>Project</u>	<u>Remaining Construction Commitment</u>
Wellfield Design/Construction	\$233,671
Main Pump Station	267,061
Dayton Yellow Springs Road Widening Phase I	80,842
Maple Avenue Culvert Replacement	144,072
Sprangler Road Improvements Design Engineering Services	58,100
2009 Street Program	351,879
2009 ADA Curb Ramp Program	10,908
Construction Document Prep for Government Center	25,460
Stormwater Utility Study	24,479
Dayton Yellow Springs Road/Colonel Glenn Signal Interconnect	135,336
2009 Curb and Sidewalk Program	3,207
Sanitary Sewer Interceptor and River Crossing Study	96,320
WRC Entrance Paving	9,696
Fine Bubble Diffuser	19,619
Sanitary Sewer Lining	103,484

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

NOTE 22 – 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, along with the cities of Clayton, Huber Heights, Riverside, New Carlisle, Dayton and 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 \$14,744 for the operation of the Commission during 2009. Financial information may be obtained by writing to Donald Spang, Executive Director, 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 2009. 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.

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

NOTE 22 – JOINTLY GOVERNED ORGANIZATIONS (continued)

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 Beaver creek, 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 2009. Financial information can be obtained from Greene County Agencies for Combined Enforcement (ACE Task Force), Commander Bruce L. May, 1388 Research Park Drive, Beaver creek, 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 Greene County, Ohio and the municipal corporations located therein. The City had no contributions from the General Fund to the CIC during 2009. Financial information can be obtained by writing to the CIC, c/o The City of Fairborn, Joan Dautal, President, at 44 West Hebble Avenue, Fairborn, OH 45324.

Greene County Regional Planning and Coordination Commission (GCRPCC)

The Greene County Regional Planning and Coordination Commission (GCRPCC) 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, Beaver creek, Xenia, Bellbrook, Cedarville, Clifton, Jamestown, Spring Valley, Yellow Springs and three 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.

Payments to GCRPCC are made from the General Fund. The City contributed \$6,372 during 2009. Financial information can be obtained from Stephen Anderson, Executive Director, at 651 Dayton-Xenia Road, Xenia, Ohio 45385.

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

NOTE 23 – RISK-SHARING POOL

The Public Entities Pool of Ohio (PEP) is a statutory entity created pursuant to section 2744.081, of the Ohio Revised Code, by the execution of an intergovernmental contract (“Participation Agreements”). PEP enables the subscribing subdivisions to pool risk for property, liability and public official liability. PEP has no employees, rather it is administered through contracts with various professionals.

Pursuant to a contract, the firm of Accordia of Ohio administers PEP. PEP is a separate legal entity. PEP subcontracts certain self-insurance, administrative and claims functions to a “Pool Operator,” currently Pottering Insurance. PEP has executed contracts with various professionals for actuary services, as independent auditors, as loss control representatives, as litigation management and defense law firms, as counsel to PEP and others as required.

PEP is governed by a seven member Board of Trustees elected by the members of PEP. The City makes an annual contribution to PEP for the coverage it is provided, based on rates established by PEP. Financial information may be obtained by writing to the Public Entities Pool of Ohio, 229 Riverside Drive, Dayton, Ohio, 45402.

NOTE 24 – ACCOUNTABILITY

The Fire and EMS, Police, Tax Increment Financing, Victims Assistance ARRA Justice Assistance Grant, Maple Avenue ARRA, and Dayton-Yellow Springs Road ARRA had fund balance deficits at December 31, 2009 of \$279,161, \$286,807, \$1,931,775, \$11,082, \$236,473, and \$207,358, respectively.

The General Fund is liable for the deficits in the Fire and EMS, Police, Maple Avenue ARRA, Dayton-Yellow Springs ARRA, and the Victims Assistance ARRA Justice Assistance Grant Funds, and will provide transfers when cash is required, not when accruals occur. The deficit in the Tax Increment Financing Fund is due to liabilities for notes payable being reported as a fund liability. The deficits will be alleviated when the note is paid.

NOTE 25 – SUBSEQUENT EVENTS

In April of 2010, the City issued a note in the amount of \$4,057,000 for water various purposes. This included a reissue of \$3,487,000 of 2009 water various purpose notes and new issue of \$570,000 for water treatment plant improvements. There was also a \$710,055 issue for the purpose of curb, sidewalk, gutter and driveway approaches.

In May of 2010, the City issued a long-term general obligation bond of \$7,605,000. This retired the 2009 sewer various purpose notes and \$100,000 new money for the SE lift Station Upgrade Design.

COMBINING FINANCIAL STATEMENTS
AND
INDIVIDUAL FUND SCHEDULES

City of Fairborn, Ohio
Nonmajor Fund Descriptions

Special Revenue Funds

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

Nonmajor Special Revenue Funds

Street Maintenance and Repair Fund

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

State Highway Fund

To account for gasoline taxes and motor vehicle license fees used for routine maintenance of 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.

Neighborhood Stabilization Fund

To account for federal grant money received through the Neighborhood Stabilization Program for improvements to housing stock and living environments in eligible communities.

Victim Witness Fund

To account for grant money received from the State of Ohio for local crime victim assistance programs.

Victims Assistance ARRA Justice Assistance Grant Fund

To account for grant money received from the State of Ohio through the American Recovery and Reinvestment Act for local crime victim assistance programs.

Street Lighting Fund

To account for voted tax revenues and transfers from the General Fund to provide street lighting within the City.

County Motor Vehicle Tax Fund

To account for a portion of municipal income taxes designated for street projects and also for permissive license taxes received from Greene County for street projects approved by the county engineer.

(continued)

City of Fairborn, Ohio
Nonmajor Fund Descriptions
(continued)

Law Enforcement Trust Fund

To account for fines and forfeitures revenue generated from 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 taxes 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. The revenue is used for law enforcement purposes only, excluding salaries.

Municipal Probation Services Fund

To account for the monies received from fees levied by the Municipal Court and used by the Probation Department for staff, equipment, and probation treatment programs.

Traffic Intervention Fund

To account for monies received from fines imposed by the Municipal Court to create a traffic intervention program to increase the number of licensed and insured drivers in the community.

Court Legal Research/Computerization Fund

To account for a three dollar fee charged by the Municipal Court for court computerization and to procure and maintain computerized legal research services.

Court Clerk Computerization Fund

To account for a three dollar fee charged by the Municipal Court to procure and maintain computer systems for the court clerk.

Indigent Driver's Interlock and Alcohol Monitoring Fund

To account for the monies received from fines imposed by the Municipal Court for the purpose of paying costs to procure alcohol monitoring or driver interlock devices for indigent defendants.

(continued)

City of Fairborn, Ohio
Nonmajor Fund Descriptions
(continued)

Clean Ohio Revitalization Fund

To account for grant money received from the State of Ohio for activities associated with the environmental remediation of property.

Byrne Justice Assistance Grant Fund

To account for federal grant money used for police department equipment and training programs.

Uninsured Loss Fund

To account for expenditures to repair damage to City property.

Capital Projects Funds

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.

Nonmajor Capital Projects Funds

Issue II Improvement Fund

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

Municipal Court Improvement Fund

To account for a three dollar fee charged by the Municipal Court on all cases to be used for the capital needs of the court.

Court Special Projects Fund

To account for revenues derived from fines levied by the Municipal 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 taxes and grants received for improvements in the City park system.

Source Water Protection Grant Fund

To account for grant money received from the Miami Conservancy District for the construction of a pervious brick entry way.

Maple Avenue ARRA Fund

To account for federal grant money used to resurface Maple Avenue.

(continued)

City of Fairborn, Ohio
Nonmajor Fund Descriptions
(continued)

Dayton-Yellow Springs Road ARRA Fund

To account for federal grant monies used to resurface a portion of Dayton-Yellow Springs Road.

ARRA Byrne Justice Assistance Grant Fund

To account for federal grant money that is shared with the cities of Beavercreek and Xenia and the Greene County Sheriff's Office for the purchase of police equipment. The City is the lead agency for this grant and is responsible for distributing the money to the other grantees.

Public Safety Equipment/Facility Fund

To account for revenues received from the one-fourth of one percent income tax levy, emergency response auto-collect and other revenue sources to provide funding for fire equipment and improvements.

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.

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, 2009

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
Assets:			
Equity in Pooled Cash and Cash Equivalents	\$6,164,599	\$2,416,713	\$8,581,312
Receivables:			
Property Taxes	139,963	0	139,963
Other Local Taxes	0	42,651	42,651
Municipal Income Taxes	633,502	633,502	1,267,004
Accounts	1,940	13,889	15,829
Intergovernmental	676,297	521,696	1,197,993
Assets Held for Resale	962,154	0	962,154
Materials and Supplies Inventory	86,151	0	86,151
<i>Total Assets</i>	<u>\$8,664,606</u>	<u>\$3,628,451</u>	<u>\$12,293,057</u>
Liabilities and Fund Balances:			
Liabilities:			
Accounts Payable	\$52,212	\$21,143	\$73,355
Contracts Payable	436,519	583,151	1,019,670
Retainage Payable	37,295	23,960	61,255
Interfund Payable	109,341	0	109,341
Accrued Wages Payable	27,757	0	27,757
Intergovernmental Payable	34,443	0	34,443
Deferred Revenue	1,112,280	961,109	2,073,389
Accrued Interest Payable	6,049	3,139	9,188
Notes Payable	1,200,000	233,000	1,433,000
<i>Total Liabilities</i>	<u>3,015,896</u>	<u>1,825,502</u>	<u>4,841,398</u>
Fund Balances:			
Reserved for Encumbrances	719,430	204,862	924,292
Reserved for Assets Held for Resale	962,154	0	962,154
Unreserved, Undesignated, Reported in:			
Special Revenue Funds	3,967,126	0	3,967,126
Capital Projects Funds	0	1,598,087	1,598,087
<i>Total Fund Balances</i>	<u>5,648,710</u>	<u>1,802,949</u>	<u>7,451,659</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$8,664,606</u>	<u>\$3,628,451</u>	<u>\$12,293,057</u>

City of Fairborn, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2009

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:			
Property Taxes	\$137,504	\$0	\$137,504
Other Local Taxes	0	97,962	97,962
Municipal Income Taxes	1,857,987	1,857,987	3,715,974
Fines, Licenses and Permits	352,316	218,460	570,776
Charges for Services	46,576	77,341	123,917
Investment Earnings	82,699	38,207	120,906
Intergovernmental	2,659,606	278,270	2,937,876
Contributions and Donations	542,430	0	542,430
Other	114,535	63,677	178,212
<i>Total Revenues</i>	<u>5,793,653</u>	<u>2,631,904</u>	<u>8,425,557</u>
Expenditures:			
Current:			
General Government	93,296	478,743	572,039
Public Safety	705,483	0	705,483
Leisure Time Activities	0	57,048	57,048
Community Development	287,173	0	287,173
Transportation and Street Repair	1,377,692	277,278	1,654,970
Public Health and Welfare	88,814	0	88,814
Capital Outlay	1,334,961	905,403	2,240,364
Debt Service:			
Principal Retirement	0	1,250,199	1,250,199
Interest and Fiscal Charges	6,394	329,959	336,353
<i>Total Expenditures</i>	<u>3,893,813</u>	<u>3,298,630</u>	<u>7,192,443</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>1,899,840</u>	<u>(666,726)</u>	<u>1,233,114</u>
Other Financing Sources (Uses):			
Special Assessment Bonds Issued	0	135,000	135,000
Refunding Notes Issued	0	403,000	403,000
Transfers-In	525,944	367,745	893,689
Transfers-Out	(13,300)	0	(13,300)
<i>Total Other Financing Sources (Uses)</i>	<u>512,644</u>	<u>905,745</u>	<u>1,418,389</u>
<i>Net Change in Fund Balances</i>	2,412,484	239,019	2,651,503
<i>Fund Balances at Beginning of Year</i>	<u>3,236,226</u>	<u>1,563,930</u>	<u>4,800,156</u>
<i>Fund Balances at End of Year</i>	<u><u>\$5,648,710</u></u>	<u><u>\$1,802,949</u></u>	<u><u>\$7,451,659</u></u>

City of Fairborn, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2009

	Street Maintenance and Repair	State Highway	Cemetery	Community Development
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$1,027,793	\$162,219	\$59,648	\$99,670
Receivables:				
Property Taxes	0	0	0	0
Municipal Income Taxes	0	0	0	0
Accounts	0	0	0	0
Intergovernmental	530,470	44,313	0	46,949
Assets Held for Resale	0	0	0	0
Materials and Supplies Inventory	86,151	0	0	0
<i>Total Assets</i>	<u>\$1,644,414</u>	<u>\$206,532</u>	<u>\$59,648</u>	<u>\$146,619</u>
Liabilities and Fund Balances:				
Liabilities:				
Accounts Payable	\$20,743	\$29	\$1,105	\$715
Contracts Payable	0	0	0	0
Retainage Payable	0	0	0	0
Interfund Payable	10,127	195	172	97
Accrued Wages Payable	15,709	0	1,731	2,568
Intergovernmental Payable	19,642	1,464	2,449	4,087
Deferred Revenue	353,386	29,955	0	46,949
Accrued Interest Payable	0	0	0	0
Notes Payable	0	0	0	0
<i>Total Liabilities</i>	<u>419,607</u>	<u>31,643</u>	<u>5,457</u>	<u>54,416</u>
Fund Balances:				
Reserved for Encumbrances	111,583	5,485	2,117	42,133
Reserved for Assets Held for Resale	0	0	0	0
Unreserved, Undesignated (Deficit)	<u>1,113,224</u>	<u>169,404</u>	<u>52,074</u>	<u>50,070</u>
<i>Total Fund Balances (Deficit)</i>	<u>1,224,807</u>	<u>174,889</u>	<u>54,191</u>	<u>92,203</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$1,644,414</u>	<u>\$206,532</u>	<u>\$59,648</u>	<u>\$146,619</u>

Neighborhood Stabilization	Victim Witness	Victim Assistance ARRA Justice Assistance Grant	Street Lighting	County Motor Vehicle Tax	Law Enforcement Trust	Drug Law Enforcement	City Motor Vehicle License Tax
\$72,931	\$11,446	\$811	\$8,864	\$1,168,460	\$43,058	\$10,566	\$1,253,330
0	0	0	139,963	0	0	0	0
0	0	0	0	633,502	0	0	0
0	0	0	0	0	0	0	0
15,820	0	12,196	10,101	15,555	0	0	0
47,933	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
<u>\$136,684</u>	<u>\$11,446</u>	<u>\$13,007</u>	<u>\$158,928</u>	<u>\$1,817,517</u>	<u>\$43,058</u>	<u>\$10,566</u>	<u>\$1,253,330</u>
\$0	\$0	\$0	\$3,198	\$25,062	\$0	\$0	\$0
0	0	0	0	138,115	0	0	298,404
0	0	0	0	5,755	0	0	31,540
88,750	0	10,000	0	0	0	0	0
421	1,812	948	0	0	0	0	0
184	3,093	945	0	0	0	0	0
15,820	0	12,196	150,064	503,910	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
<u>105,175</u>	<u>4,905</u>	<u>24,089</u>	<u>153,262</u>	<u>672,842</u>	<u>0</u>	<u>0</u>	<u>329,944</u>
5,957	2,759	9	3,192	133,532	1,658	0	369,608
47,933	0	0	0	0	0	0	0
<u>(22,381)</u>	<u>3,782</u>	<u>(11,091)</u>	<u>2,474</u>	<u>1,011,143</u>	<u>41,400</u>	<u>10,566</u>	<u>553,778</u>
<u>31,509</u>	<u>6,541</u>	<u>(11,082)</u>	<u>5,666</u>	<u>1,144,675</u>	<u>43,058</u>	<u>10,566</u>	<u>923,386</u>
<u>\$136,684</u>	<u>\$11,446</u>	<u>\$13,007</u>	<u>\$158,928</u>	<u>\$1,817,517</u>	<u>\$43,058</u>	<u>\$10,566</u>	<u>\$1,253,330</u>

(continued)

City of Fairborn, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds (Continued)
December 31, 2009

	Indigent Drivers Alcohol Treatment	Alcohol Enforcement and Education	Federal Forfeitures	Municipal Probation Services
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$399,766	\$9,922	\$200,902	\$238,185
Receivables:				
Property Taxes	0	0	0	0
Municipal Income Taxes	0	0	0	0
Accounts	0	0	0	0
Intergovernmental	0	0	893	0
Assets Held for Resale	0	0	0	0
Materials and Supplies Inventory	0	0	0	0
<i>Total Assets</i>	<u>\$399,766</u>	<u>\$9,922</u>	<u>\$201,795</u>	<u>\$238,185</u>
Liabilities and Fund Balances:				
Liabilities:				
Accounts Payable	\$0	\$0	\$0	\$0
Contracts Payable	0	0	0	0
Retainage Payable	0	0	0	0
Interfund Payable	0	0	0	0
Accrued Wages Payable	0	0	0	3,453
Intergovernmental Payable	0	0	0	2,036
Deferred Revenue	0	0	0	0
Accrued Interest Payable	0	0	0	0
Notes Payable	0	0	0	0
<i>Total Liabilities</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5,489</u>
Fund Balances:				
Reserved for Encumbrances	0	0	0	8,477
Reserved for Assets Held for Resale	0	0	0	0
Unreserved, Undesignated (Deficit)	399,766	9,922	201,795	224,219
<i>Total Fund Balances (Deficit)</i>	<u>399,766</u>	<u>9,922</u>	<u>201,795</u>	<u>232,696</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$399,766</u>	<u>\$9,922</u>	<u>\$201,795</u>	<u>\$238,185</u>

Traffic Intervention	Court Legal Research/ Computerization	Court Clerk Computerization	Indigent Driver's Interlock and Alcohol Monitoring	Clean Ohio Revitalization	Byrne Justice Assistance Grant
\$9,678	\$27,460	\$11,089	\$13,226	\$1,201,679	\$20,652
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	914,221	0
0	0	0	0	0	0
<u>\$9,678</u>	<u>\$27,460</u>	<u>\$11,089</u>	<u>\$13,226</u>	<u>\$2,115,900</u>	<u>\$20,652</u>
\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
181	0	934	0	0	0
28	0	515	0	0	0
0	0	0	0	0	0
0	0	0	0	6,049	0
0	0	0	0	1,200,000	0
<u>209</u>	<u>0</u>	<u>1,449</u>	<u>0</u>	<u>1,206,049</u>	<u>0</u>
0	0	79	0	933	10,326
0	0	0	0	914,221	0
<u>9,469</u>	<u>27,460</u>	<u>9,561</u>	<u>13,226</u>	<u>(5,303)</u>	<u>10,326</u>
<u>9,469</u>	<u>27,460</u>	<u>9,640</u>	<u>13,226</u>	<u>909,851</u>	<u>20,652</u>
<u>\$9,678</u>	<u>\$27,460</u>	<u>\$11,089</u>	<u>\$13,226</u>	<u>\$2,115,900</u>	<u>\$20,652</u>

(continued)

City of Fairborn, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds (Continued)
December 31, 2009

	Uninsured Loss	Total Nonmajor Special Revenue Funds
Assets:		
Equity in Pooled Cash and Cash Equivalents	\$113,244	\$6,164,599
Receivables:		
Property Taxes	0	139,963
Municipal Income Taxes	0	633,502
Accounts	1,940	1,940
Intergovernmental	0	676,297
Assets Held for Resale	0	962,154
Materials and Supplies Inventory	0	86,151
<i>Total Assets</i>	<u>\$115,184</u>	<u>\$8,664,606</u>
Liabilities and Fund Balances:		
Liabilities:		
Accounts Payable	\$1,360	\$52,212
Contracts Payable	0	436,519
Retainage Payable	0	37,295
Interfund Payable	0	109,341
Accrued Wages Payable	0	27,757
Intergovernmental Payable	0	34,443
Deferred Revenue	0	1,112,280
Accrued Interest Payable	0	6,049
Notes Payable	0	1,200,000
<i>Total Liabilities</i>	<u>1,360</u>	<u>3,015,896</u>
Fund Balances:		
Reserved for Encumbrances	21,582	719,430
Reserved for Assets Held for Resale	0	962,154
Unreserved, Undesignated (Deficit)	92,242	3,967,126
<i>Total Fund Balances (Deficit)</i>	<u>113,824</u>	<u>5,648,710</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$115,184</u>	<u>\$8,664,606</u>



City of Fairborn, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2009

	Street Maintenance and Repair	State Highway	Cemetery	Community Development
Revenues:				
Property Taxes	\$0	\$0	\$0	\$0
Municipal Income Taxes	0	0	0	0
Fines, Licenses and Permits	0	0	0	0
Charges for Services	0	0	46,576	0
Investment Earnings	25,105	3,788	0	0
Intergovernmental	1,089,598	88,345	0	378,640
Contributions and Donations	0	0	0	0
Other	2,195	142	407	4,332
<i>Total Revenues</i>	<u>1,116,898</u>	<u>92,275</u>	<u>46,983</u>	<u>382,972</u>
Expenditures:				
Current:				
General Government	0	0	0	0
Public Safety	0	0	0	0
Community Development	0	0	0	283,743
Transportation and Street Repair	982,338	67,829	0	0
Public Health and Welfare	0	0	88,814	0
Capital Outlay	64,698	0	8,103	54,821
Debt Service:				
Interest and Fiscal Charges	0	0	0	0
<i>Total Expenditures</i>	<u>1,047,036</u>	<u>67,829</u>	<u>96,917</u>	<u>338,564</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>69,862</u>	<u>24,446</u>	<u>(49,934)</u>	<u>44,408</u>
Other Financing Sources (Uses):				
Transfers-In	0	0	104,913	0
Transfers-Out	(13,300)	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>(13,300)</u>	<u>0</u>	<u>104,913</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	56,562	24,446	54,979	44,408
<i>Fund Balances (Deficit) at Beginning of Year</i>	<u>1,168,245</u>	<u>150,443</u>	<u>(788)</u>	<u>47,795</u>
<i>Fund Balances (Deficit) at End of Year</i>	<u><u>\$1,224,807</u></u>	<u><u>\$174,889</u></u>	<u><u>\$54,191</u></u>	<u><u>\$92,203</u></u>

Neighborhood Stabilization	Victim Witness	Victims Assistance ARRA Justice Assistance Grant	Street Lighting	County Motor Vehicle Tax	Law Enforcement Trust	Drug Law Enforcement	City Motor Vehicle License Tax
\$0	\$0	\$0	\$137,504	\$0	\$0	\$0	\$0
0	0	0	0	705,723	0	0	1,152,264
0	15,757	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	20,582	0	0	26,137
34,939	55,263	0	44,020	439,508	0	0	134,224
0	0	0	0	0	0	0	0
0	341	0	0	5,626	49,377	2,097	11,252
<u>34,939</u>	<u>71,361</u>	<u>0</u>	<u>181,524</u>	<u>1,171,439</u>	<u>49,377</u>	<u>2,097</u>	<u>1,323,877</u>
0	0	0	0	0	0	0	0
0	101,709	14,089	355,203	0	22,958	101	0
3,430	0	0	0	0	0	0	0
0	0	0	0	170,960	0	0	156,565
0	0	0	0	0	0	0	0
0	0	0	0	81,750	58,729	0	859,810
0	0	0	0	6,394	0	0	0
<u>3,430</u>	<u>101,709</u>	<u>14,089</u>	<u>355,203</u>	<u>259,104</u>	<u>81,687</u>	<u>101</u>	<u>1,016,375</u>
<u>31,509</u>	<u>(30,348)</u>	<u>(14,089)</u>	<u>(173,679)</u>	<u>912,335</u>	<u>(32,310)</u>	<u>1,996</u>	<u>307,502</u>
0	31,005	3,007	181,050	205,969	0	0	0
0	0	0	0	0	0	0	0
<u>0</u>	<u>31,005</u>	<u>3,007</u>	<u>181,050</u>	<u>205,969</u>	<u>0</u>	<u>0</u>	<u>0</u>
31,509	657	(11,082)	7,371	1,118,304	(32,310)	1,996	307,502
0	5,884	0	(1,705)	26,371	75,368	8,570	615,884
<u>\$31,509</u>	<u>\$6,541</u>	<u>(\$11,082)</u>	<u>\$5,666</u>	<u>\$1,144,675</u>	<u>\$43,058</u>	<u>\$10,566</u>	<u>\$923,386</u>

(continued)

City of Fairborn, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds (Continued)
For the Year Ended December 31, 2009

	Indigent Drivers Alcohol Treatment	Alcohol Enforcement and Education	Federal Forfeitures	Municipal Probation Services
Revenues:				
Property Taxes	\$0	\$0	\$0	\$0
Municipal Income Taxes	0	0	0	0
Fines, Licenses and Permits	46,930	4,425	40,301	100,291
Charges for Services	0	0	0	0
Investment Earnings	0	0	7,087	0
Intergovernmental	0	0	893	0
Contributions and Donations	0	0	0	0
Other	0	0	0	0
<i>Total Revenues</i>	<u>46,930</u>	<u>4,425</u>	<u>48,281</u>	<u>100,291</u>
Expenditures:				
Current:				
General Government	0	0	0	0
Public Safety	14,772	1,475	13,006	181,961
Community Development	0	0	0	0
Transportation and Street Repair	0	0	0	0
Public Health and Welfare	0	0	0	0
Capital Outlay	0	0	142,519	345
Debt Service:				
Interest and Fiscal Charges	0	0	0	0
<i>Total Expenditures</i>	<u>14,772</u>	<u>1,475</u>	<u>155,525</u>	<u>182,306</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>32,158</u>	<u>2,950</u>	<u>(107,244)</u>	<u>(82,015)</u>
Other Financing Sources (Uses):				
Transfers-In	0	0	0	0
Transfers-Out	0	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	32,158	2,950	(107,244)	(82,015)
<i>Fund Balances (Deficit) at Beginning of Year</i>	<u>367,608</u>	<u>6,972</u>	<u>309,039</u>	<u>314,711</u>
<i>Fund Balances (Deficit) at End of Year</i>	<u><u>\$399,766</u></u>	<u><u>\$9,922</u></u>	<u><u>\$201,795</u></u>	<u><u>\$232,696</u></u>

Traffic Intervention	Court Legal Research/ Computer- ization	Court Clerk Computer- ization	Indigent Driver's Interlock and Alcohol Monitoring	Clean Ohio Revitalization	Byrne Justice Assistance Grant	Uninsured Loss	Total Nonmajor Special Revenue Funds
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$137,504
0	0	0	0	0	0	0	1,857,987
7,280	27,585	96,521	13,226	0	0	0	352,316
0	0	0	0	0	0	0	46,576
0	0	0	0	0	0	0	82,699
0	0	0	0	371,791	20,652	1,733	2,659,606
0	0	0	0	542,430	0	0	542,430
0	0	0	0	0	0	38,766	114,535
<u>7,280</u>	<u>27,585</u>	<u>96,521</u>	<u>13,226</u>	<u>914,221</u>	<u>20,652</u>	<u>40,499</u>	<u>5,793,653</u>
0	125	26,881	0	4,370	0	61,920	93,296
209	0	0	0	0	0	0	705,483
0	0	0	0	0	0	0	287,173
0	0	0	0	0	0	0	1,377,692
0	0	0	0	0	0	0	88,814
0	0	60,000	0	0	0	4,186	1,334,961
0	0	0	0	0	0	0	6,394
<u>209</u>	<u>125</u>	<u>86,881</u>	<u>0</u>	<u>4,370</u>	<u>0</u>	<u>66,106</u>	<u>3,893,813</u>
<u>7,071</u>	<u>27,460</u>	<u>9,640</u>	<u>13,226</u>	<u>909,851</u>	<u>20,652</u>	<u>(25,607)</u>	<u>1,899,840</u>
0	0	0	0	0	0	0	525,944
0	0	0	0	0	0	0	(13,300)
0	0	0	0	0	0	0	512,644
7,071	27,460	9,640	13,226	909,851	20,652	(25,607)	2,412,484
2,398	0	0	0	0	0	139,431	3,236,226
<u>\$9,469</u>	<u>\$27,460</u>	<u>\$9,640</u>	<u>\$13,226</u>	<u>\$909,851</u>	<u>\$20,652</u>	<u>\$113,824</u>	<u>\$5,648,710</u>

City of Fairborn, Ohio
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2009

	Municipal Court Improvement	Court Special Projects	General Capital Improvement	Parks and Recreation Improvements	Source Water Protection Grant
Assets:					
Equity in Pooled Cash and Cash Equivalents	\$203,700	\$96,391	\$472,368	\$311,387	\$26,250
Receivables:					
Other Local Taxes	0	0	0	42,651	0
Municipal Income Taxes	0	0	0	0	0
Accounts	0	0	0	0	0
Intergovernmental	0	0	76,639	1,226	0
<i>Total Assets</i>	<u>\$203,700</u>	<u>\$96,391</u>	<u>\$549,007</u>	<u>\$355,264</u>	<u>\$26,250</u>
Liabilities and Fund Balances:					
Liabilities:					
Accounts Payable	\$0	\$0	\$40	\$0	\$0
Contracts Payable	0	0	109,484	29,836	0
Retainage Payable	0	0	23,960	0	0
Deferred Revenue	0	0	0	1,226	0
Accrued Interest Payable	0	0	0	0	0
Notes Payable	0	0	0	0	0
<i>Total Liabilities</i>	<u>0</u>	<u>0</u>	<u>133,484</u>	<u>31,062</u>	<u>0</u>
Fund Balances:					
Reserved for Encumbrances	0	87	61,127	52,787	0
Unreserved, Undesignated (Deficit)	203,700	96,304	354,396	271,415	26,250
<i>Total Fund Balances (Deficit)</i>	<u>203,700</u>	<u>96,391</u>	<u>415,523</u>	<u>324,202</u>	<u>26,250</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$203,700</u>	<u>\$96,391</u>	<u>\$549,007</u>	<u>\$355,264</u>	<u>\$26,250</u>

Maple Avenue ARRA	Dayton-Yellow Springs Road ARRA	ARRA Byrne Justice Assistance Grant	Public Safety Equipment/Facility	Building and Land	Special Assessment Construction	Total Nonmajor Capital Projects Funds
\$0	\$0	\$145,106	\$427,564	\$203,054	\$530,893	\$2,416,713
0	0	0	0	0	0	42,651
0	0	0	633,502	0	0	633,502
0	0	0	13,889	0	0	13,889
236,473	207,358	0	0	0	0	521,696
<u>\$236,473</u>	<u>\$207,358</u>	<u>\$145,106</u>	<u>\$1,074,955</u>	<u>\$203,054</u>	<u>\$530,893</u>	<u>\$3,628,451</u>
\$0	\$0	\$0	\$5,711	\$15,392	\$0	\$21,143
236,473	207,358	0	0	0	0	583,151
0	0	0	0	0	0	23,960
236,473	207,358	0	516,052	0	0	961,109
0	0	0	0	1,890	1,249	3,139
0	0	0	0	135,000	98,000	233,000
472,946	414,716	0	521,763	152,282	99,249	1,825,502
0	0	34,425	13,906	31,581	10,949	204,862
(236,473)	(207,358)	110,681	539,286	19,191	420,695	1,598,087
(236,473)	(207,358)	145,106	553,192	50,772	431,644	1,802,949
<u>\$236,473</u>	<u>\$207,358</u>	<u>\$145,106</u>	<u>\$1,074,955</u>	<u>\$203,054</u>	<u>\$530,893</u>	<u>\$3,628,451</u>

City of Fairborn, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2009

	Issue II Improvement	Municipal Court Improvement	Court Special Projects	General Capital Improvement
Revenues:				
Other Local Taxes	\$0	\$0	\$0	\$0
Municipal Income Taxes	0	0	0	0
Fines, Licenses and Permits	0	64,698	153,762	0
Charges for Services	0	0	0	0
Investment Earnings	0	0	0	9,296
Intergovernmental	0	0	0	86,638
Other	0	0	0	20,353
	<u>0</u>	<u>64,698</u>	<u>153,762</u>	<u>116,287</u>
<i>Total Revenues</i>				
Expenditures:				
Current:				
General Government	0	34,953	15,982	44,939
Leisure Time Activities	0	0	0	0
Transportation and Street Repair	102,152	0	0	175,126
Capital Outlay	0	25,840	1,168	0
Debt Service:	0			
Principal Retirement	0	0	95,484	30,000
Interest and Fiscal Charges	0	0	23,397	1,500
	<u>102,152</u>	<u>60,793</u>	<u>136,031</u>	<u>251,565</u>
<i>Total Expenditures</i>				
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(102,152)</u>	<u>3,905</u>	<u>17,731</u>	<u>(135,278)</u>
Other Financing Sources:				
Special Assessment Bonds Issued	0	0	0	0
Refunding Notes Issued	0	0	0	0
Transfers-In	0	0	0	155,078
	<u>0</u>	<u>0</u>	<u>0</u>	<u>155,078</u>
<i>Total Other Financing Sources</i>				
<i>Net Change in Fund Balances</i>	(102,152)	3,905	17,731	19,800
<i>Fund Balances at Beginning of Year</i>	<u>102,152</u>	<u>199,795</u>	<u>78,660</u>	<u>395,723</u>
<i>Fund Balances (Deficit) at End of Year</i>	<u>\$0</u>	<u>\$203,700</u>	<u>\$96,391</u>	<u>\$415,523</u>

Parks and Recreation Improvements	Source Water Protection Grant	Maple Avenue ARRA	Dayton-Yellow Springs Road ARRA	ARRA Byrne Justice Assistance Grant	Public Safety Equipment/Facility	Building and Land
\$97,962	\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	0	0	1,857,987	0
0	0	0	0	0	0	0
15,431	0	0	0	0	8,665	0
10,879	0	0	0	0	18,032	0
20,276	26,250	0	0	145,106	0	0
4,507	0	0	0	0	26,816	11,081
149,055	26,250	0	0	145,106	1,911,500	11,081
0	0	0	0	0	110,570	172,680
57,048	0	0	0	0	0	0
0	0	0	0	0	0	0
218,542	0	236,473	207,358	0	200,960	15,062
0	0	0	0	0	960,000	30,000
0	0	0	0	0	262,650	32,782
275,590	0	236,473	207,358	0	1,534,180	250,524
(126,535)	26,250	(236,473)	(207,358)	145,106	377,320	(239,443)
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	212,667
0	0	0	0	0	0	212,667
(126,535)	26,250	(236,473)	(207,358)	145,106	377,320	(26,776)
450,737	0	0	0	0	175,872	77,548
\$324,202	\$26,250	(\$236,473)	(\$207,358)	\$145,106	\$553,192	\$50,772

(continued)

City of Fairborn, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds (continued)
For the Year Ended December 31, 2009

	Special Assessment Construction	Total Nonmajor Capital Projects Funds
Revenues:		
Other Local Taxes	\$0	\$97,962
Municipal Income Taxes	0	1,857,987
Fines, Licenses and Permits	0	218,460
Charges for Services	53,245	77,341
Investment Earnings	0	38,207
Intergovernmental	0	278,270
Other	920	63,677
	<u>54,165</u>	<u>2,631,904</u>
<i>Total Revenues</i>		
Expenditures:		
Current:		
General Government	99,619	478,743
Leisure Time Activities	0	57,048
Transportation and Street Repair	0	277,278
Capital Outlay	0	905,403
Debt Service:		
Principal Retirement	134,715	1,250,199
Interest and Fiscal Charges	9,630	329,959
	<u>243,964</u>	<u>3,298,630</u>
<i>Total Expenditures</i>		
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(189,799)</u>	<u>(666,726)</u>
Other Financing Sources:		
Special Assessment Bonds Issued	135,000	135,000
Refunding Notes Issued	403,000	403,000
Transfers-In	0	367,745
	<u>538,000</u>	<u>905,745</u>
<i>Total Other Financing Sources</i>		
<i>Net Change in Fund Balances</i>	348,201	239,019
<i>Fund Balances at Beginning of Year</i>	<u>83,443</u>	<u>1,563,930</u>
<i>Fund Balances (Deficit) at End of Year</i>	<u>\$431,644</u>	<u>\$1,802,949</u>

City of Fairborn, Ohio
Nonmajor Fund Descriptions

Internal Service Funds

Internal service funds are used 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 other funds for the labor, parts, and overhead to repair and maintain City equipment and vehicles.

Information Technology Fund

To account for charges to other funds for information technology services.

Employee Assistance Program Fund

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

City of Fairborn, Ohio
Combining Statement of Fund Net Assets
Internal Service Funds
December 31, 2009

	Equipment	Information Technology	Employee Assistance Program	Total
Assets:				
Current Assets				
Equity in Pooled Cash and Cash Equivalents	\$79,730	\$27,830	\$318,749	\$426,309
Interfund Receivable	33,504	0	0	33,504
Materials and Supplies Inventory	106,757	0	0	106,757
<i>Total Current Assets</i>	<u>219,991</u>	<u>27,830</u>	<u>318,749</u>	<u>566,570</u>
Non-current Assets				
Nondepreciable Capital Assets	0	86,497	0	86,497
Depreciable Capital Assets, Net	213,407	69,551	0	282,958
<i>Total Non-current Assets</i>	<u>213,407</u>	<u>156,048</u>	<u>0</u>	<u>369,455</u>
<i>Total Assets</i>	<u>433,398</u>	<u>183,878</u>	<u>318,749</u>	<u>936,025</u>
Liabilities:				
Current Liabilities				
Accounts Payable	17,074	1,307	0	18,381
Accrued Wages Payable	13,184	6,351	0	19,535
Compensated Absences Payable	31,742	4,495	0	36,237
Intergovernmental Payable	17,297	9,528	0	26,825
Interfund Payable	172	111	0	283
Capital Lease Payable	5,399	21,031	0	26,430
<i>Total Current Liabilities</i>	<u>84,868</u>	<u>42,823</u>	<u>0</u>	<u>127,691</u>
Long-Term Liabilities				
Capital Lease Payable	47,156	5,532	0	52,688
Compensated Absences Payable	9,623	5,808	0	15,431
<i>Total Long-Term Liabilities</i>	<u>56,779</u>	<u>11,340</u>	<u>0</u>	<u>68,119</u>
<i>Total Liabilities</i>	<u>141,647</u>	<u>54,163</u>	<u>0</u>	<u>195,810</u>
Net Assets:				
Invested in Capital Assets, Net of Related Debt	160,852	129,485	0	290,337
Unrestricted	130,899	230	318,749	449,878
<i>Total Net Assets</i>	<u>\$291,751</u>	<u>\$129,715</u>	<u>\$318,749</u>	<u>\$740,215</u>

City of Fairborn, Ohio
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets
Internal Service Funds
For the Year Ended December 31, 2009

	Equipment	Information Technology	Employee Assistance Program	Total
Operating Revenues:				
Charges for Services	\$1,089,441	\$481,295	\$0	\$1,570,736
Other	1,316	151	0	1,467
<i>Total Operating Revenues</i>	<u>1,090,757</u>	<u>481,446</u>	<u>0</u>	<u>1,572,203</u>
Operating Expenses:				
Personal Services	486,742	249,607	70,144	806,493
Contractual Services	49,951	166,248	7,075	223,274
Materials and Supplies	576,651	13,668	0	590,319
Depreciation	22,771	12,785	0	35,556
<i>Total Operating Expenses</i>	<u>1,136,115</u>	<u>442,308</u>	<u>77,219</u>	<u>1,655,642</u>
<i>Operating Income (Loss)</i>	<u>(45,358)</u>	<u>39,138</u>	<u>(77,219)</u>	<u>(83,439)</u>
Non-Operating Revenues (Expenses):				
Investment Earnings	0	0	8,254	8,254
Intergovernmental	0	72	0	72
Interest and Fiscal Charges	(2,005)	(3,207)	0	(5,212)
<i>Total Non-Operating Revenues (Expenses)</i>	<u>(2,005)</u>	<u>(3,135)</u>	<u>8,254</u>	<u>3,114</u>
<i>Change in Net Assets</i>	<u>(47,363)</u>	<u>36,003</u>	<u>(68,965)</u>	<u>(80,325)</u>
<i>Net Assets at Beginning of Year</i>	<u>339,114</u>	<u>93,712</u>	<u>387,714</u>	<u>820,540</u>
<i>Net Assets at End of Year</i>	<u>\$291,751</u>	<u>\$129,715</u>	<u>\$318,749</u>	<u>\$740,215</u>

City of Fairborn, Ohio
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2009

	Equipment	Information Technology	Employee Assistance Program	Total
Increase (Decrease) in Cash and Cash Equivalents				
Cash Flows from Operating Activities:				
Cash Received From Interfund Services Provided	\$1,104,846	\$481,305	\$0	\$1,586,151
Cash Received From Other Operating Revenues	1,316	151	0	1,467
Cash Received From Other Non-Operating Revenues	0	72	0	72
Cash Payments for Employee Services and Benefits	(491,427)	(247,429)	(70,144)	(809,000)
Cash Payments to Suppliers	(647,535)	(184,749)	(7,075)	(839,359)
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>(32,800)</u>	<u>49,350</u>	<u>(77,219)</u>	<u>(60,669)</u>
Cash Flows Used for Capital and Related Financing Activities:				
Acquisition of Capital Assets	(6,595)	(57,665)	0	(64,260)
Capital Lease Principal Payments	(5,212)	(19,380)	0	(24,592)
Capital Lease Interest Payments	(2,005)	(3,207)	0	(5,212)
<i>Net Cash Used for Capital and Related Financing Activities</i>	<u>(13,812)</u>	<u>(80,252)</u>	<u>0</u>	<u>(94,064)</u>
Cash Flows from Investing Activities:				
Interest	0	0	8,254	8,254
<i>Net Decrease in Cash and Cash Equivalents</i>	(46,612)	(30,902)	(68,965)	(146,479)
<i>Cash and Cash Equivalents at Beginning of Year</i>	<u>126,342</u>	<u>58,732</u>	<u>387,714</u>	<u>572,788</u>
<i>Cash and Cash Equivalents at End of Year</i>	<u>\$79,730</u>	<u>\$27,830</u>	<u>\$318,749</u>	<u>\$426,309</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:				
Operating Income (Loss)	(\$45,358)	\$39,138	(\$77,219)	(\$83,439)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:				
Depreciation	22,771	12,785	0	35,556
Changes in Assets and Liabilities:				
Decrease in Accounts Receivable	0	10	0	10
Decrease in Intergovernmental Receivable	21,210	72	0	21,282
Increase in Materials and Supplies Inventory	(22,764)	0	0	(22,764)
Increase in Interfund Receivable	(5,805)	0	0	(5,805)
Increase (Decrease) in Accounts Payable	1,718	(4,785)	0	(3,067)
Increase in Accrued Wages Payable	1,814	1,102	0	2,916
Increase (Decrease) in Intergovernmental Payable	(415)	324	0	(91)
Increase (Decrease) in Interfund Payable	113	(48)	0	65
Increase (Decrease) in Compensated Absences Payable	(6,084)	752	0	(5,332)
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>(\$32,800)</u>	<u>\$49,350</u>	<u>(77,219)</u>	<u>(\$60,669)</u>

City of Fairborn, Ohio
Nonmajor Fund Descriptions

Agency Fund

Agency funds are used to account for assets held by the City as an agent for individuals, private organizations, other governmental units, and/or other funds.

Municipal Court Fund

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

City of Fairborn, Ohio
Statement of Changes in Assets and Liabilities
Agency Fund
For the Year Ended December 31, 2009

	Balance at 12/31/2008	Additions	Reductions	Balance at 12/31/2009
<u>Municipal Court</u>				
Assets:				
Cash and Cash Equivalents in Segregated Accounts	\$382,291	\$3,999,185	\$4,001,545	\$379,931
Liabilities:				
Undistributed Monies	\$382,291	\$3,999,185	\$4,001,545	\$379,931

City of Fairborn, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
General Fund
For the Year Ended December 31, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Property Taxes	\$1,598,460	\$1,616,439	\$17,979
Other Local Taxes	730,300	638,191	(92,109)
Municipal Income Taxes	7,928,119	7,473,986	(454,133)
Fines, Licenses and Permits	1,367,000	1,391,590	24,590
Charges for Services	2,862,644	2,686,997	(175,647)
Investment Earnings	400,000	267,477	(132,523)
Intergovernmental	2,179,441	2,013,804	(165,637)
Other	148,897	172,958	24,061
<i>Total Revenues</i>	<u>17,214,861</u>	<u>16,261,442</u>	<u>(953,419)</u>
Expenditures:			
Current:			
General Government			
City Council			
Personal Services	102,734	100,270	2,464
Contractual Services	54,525	43,560	10,965
Materials and Supplies	11,867	11,861	6
<i>Total City Council</i>	<u>169,126</u>	<u>155,691</u>	<u>13,435</u>
Municipal Court			
Personal Services	1,579,305	1,551,710	27,595
Contractual Services	306,473	305,443	1,030
Materials and Supplies	32,782	30,894	1,888
<i>Total Municipal Court</i>	<u>1,918,560</u>	<u>1,888,047</u>	<u>30,513</u>
Jail Diversion Grant			
Personal Services	44,127	44,119	8
Contractual Services	1	0	1
<i>Total Jail Diversion Grant</i>	<u>44,128</u>	<u>44,119</u>	<u>9</u>
City Manager's Office			
Personal Services	280,822	269,099	11,723
Contractual Services	24,924	22,407	2,517
Materials and Supplies	5,273	4,981	292
<i>Total City Manager's Office</i>	<u>311,019</u>	<u>296,487</u>	<u>14,532</u>
Administration and General Accounting			
Personal Services	516,697	505,884	10,813
Contractual Services	151,560	147,027	4,533
Materials and Supplies	9,870	9,569	301
<i>Total Administration and General Accounting</i>	<u>\$678,127</u>	<u>\$662,480</u>	<u>\$15,647</u>

(Continued)

City of Fairborn, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
General Fund
For the Year Ended December 31, 2009
(Continued)

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Utilities Accounting			
Personal Services	\$162,170	\$161,534	\$636
Contractual Services	90,174	88,092	2,082
Materials and Supplies	5,274	4,773	501
<i>Total Utilities Accounting</i>	<u>257,618</u>	<u>254,399</u>	<u>3,219</u>
City Income Tax Accounting			
Personal Services	188,633	173,692	14,941
Contractual Services	453,018	444,143	8,875
Materials and Supplies	3,859	2,927	932
<i>Total City Income Tax Accounting</i>	<u>645,510</u>	<u>620,762</u>	<u>24,748</u>
Legal Department			
Personal Services	174,202	172,147	2,055
Contractual Services	39,869	35,864	4,005
Materials and Supplies	4,948	3,948	1,000
<i>Total Legal Department</i>	<u>219,019</u>	<u>211,959</u>	<u>7,060</u>
Personnel Department			
Personal Services	85,941	82,462	3,479
Contractual Services	85,088	79,901	5,187
Materials and Supplies	9,591	5,075	4,516
<i>Total Personnel Department</i>	<u>180,620</u>	<u>167,438</u>	<u>13,182</u>
Engineering and Drafting			
Personal Services	458,173	443,877	14,296
Contractual Services	32,597	31,813	784
Materials and Supplies	13,377	11,332	2,045
<i>Total Engineering and Drafting</i>	<u>504,147</u>	<u>487,022</u>	<u>17,125</u>
Plant Maintenance			
Personal Services	377,199	374,520	2,679
Contractual Services	107,994	106,385	1,609
Materials and Supplies	59,113	56,719	2,394
<i>Total Plant Maintenance</i>	<u>544,306</u>	<u>537,624</u>	<u>6,682</u>
Contingency			
Personal Services	255,038	254,983	55
Contractual Services	898,257	864,434	33,823
Materials and Supplies	12,439	12,439	0
<i>Total Contingency</i>	<u>\$1,165,734</u>	<u>\$1,131,856</u>	<u>\$33,878</u>

(Continued)

City of Fairborn, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
General Fund
For the Year Ended December 31, 2009
(Continued)

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Calamityville			
Contractual Services	\$50,000	\$41,861	\$8,139
<i>Total General Government</i>	<u>6,687,914</u>	<u>6,499,745</u>	<u>188,169</u>
Public Safety			
Police Administrative Services			
Personal Services	5,638	5,638	0
Contractual Services	5,779	5,779	0
Materials and Supplies	2,837	2,837	0
<i>Total Police Administrative Services</i>	<u>14,254</u>	<u>14,254</u>	<u>0</u>
Police Dispatch			
Personal Services	9,351	9,351	0
Police Detective Section			
Personal Services	8,536	8,536	0
Contractual Services	99	99	0
Materials and Supplies	328	328	0
<i>Total Police Detective Section</i>	<u>8,963</u>	<u>8,963</u>	<u>0</u>
Police Patrol Section			
Personal Services	28,380	28,380	0
Contractual Services	1,450	1,450	0
Materials and Supplies	1,990	1,990	0
<i>Total Police Patrol Section</i>	<u>31,820</u>	<u>31,820</u>	<u>0</u>
Police Animal Control			
Contractual Services	32	32	0
D.A.R.E.			
Personal Services	1,163	1,163	0
<i>Total Public Safety</i>	<u>65,583</u>	<u>65,583</u>	<u>0</u>
Leisure Time Activities			
Parks and Recreation			
Personal Services	121,124	120,382	742
Contractual Services	75,215	73,675	1,540
Materials and Supplies	36,510	33,492	3,018
<i>Total Leisure Time Activities</i>	<u>\$232,849</u>	<u>\$227,549</u>	<u>\$5,300</u>

(Continued)

City of Fairborn, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
General Fund
For the Year Ended December 31, 2009
(Continued)

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Community Development			
Community Development Urban Planner			
Personal Services	\$248,735	\$243,807	\$4,928
Contractual Services	39,746	36,429	3,317
Materials and Supplies	2,239	2,053	186
<i>Total Community Development Urban Planner</i>	<u>290,720</u>	<u>282,289</u>	<u>8,431</u>
Building Inspection and Zoning Enforcement			
Personal Services	401,163	393,916	7,247
Contractual Services	58,335	48,680	9,655
Materials and Supplies	10,738	8,796	1,942
<i>Total Building Inspection and Zoning Enforcement</i>	<u>470,236</u>	<u>451,392</u>	<u>18,844</u>
<i>Total Community Development</i>	<u>760,956</u>	<u>733,681</u>	<u>27,275</u>
Capital Outlay			
Capital Outlay	70,150	64,972	5,178
<i>Total Expenditures</i>	<u>7,817,452</u>	<u>7,591,530</u>	<u>225,922</u>
<i>Excess of Revenues Over Expenditures</i>	<u>9,397,409</u>	<u>8,669,912</u>	<u>(727,497)</u>
Other Financing Uses:			
Advances-Out	(98,750)	(98,750)	0
Transfers-Out	(10,729,488)	(10,344,207)	385,281
<i>Total Other Financing Uses</i>	<u>(10,828,238)</u>	<u>(10,442,957)</u>	<u>385,281</u>
<i>Net Change in Fund Balance</i>	(1,430,829)	(1,773,045)	(342,216)
<i>Fund Balance at Beginning of Year</i>	3,923,284	3,923,284	0
<i>Prior Year Encumbrances Appropriated</i>	<u>233,541</u>	<u>233,541</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$2,725,996</u></u>	<u><u>\$2,383,780</u></u>	<u><u>(\$342,216)</u></u>

City of Fairborn, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Fire and EMS Fund
For the Year Ended December 31, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Property Taxes	\$396,000	\$374,858	(\$21,142)
Fines, Licenses and Permits	1,200	1,350	150
Charges for Services	1,167,421	1,291,991	124,570
Intergovernmental	695,970	747,643	51,673
Other	10,282	18,648	8,366
<i>Total Revenues</i>	<u>2,270,873</u>	<u>2,434,490</u>	<u>163,617</u>
Expenditures:			
Current:			
Public Safety			
Fire Administrative Services			
Personal Services	421,676	418,545	3,131
Contractual Services	476,820	456,420	20,400
Materials and Supplies	23,532	23,470	62
<i>Total Fire Administrative Services</i>	<u>922,028</u>	<u>898,435</u>	<u>23,593</u>
Fire Life Safety			
Personal Services	131,277	130,349	928
Contractual Services	1,075	865	210
Materials and Supplies	3,983	3,383	600
<i>Total Fire Life Safety</i>	<u>136,335</u>	<u>134,597</u>	<u>1,738</u>
Fire Operations			
Personal Services	4,907,635	4,896,691	10,944
Contractual Services	34,630	34,172	458
Materials and Supplies	256,351	234,770	21,581
<i>Total Fire Operations</i>	<u>5,198,616</u>	<u>5,165,633</u>	<u>32,983</u>
Training			
Personal Services	128,176	127,961	215
Contractual Services	9,846	7,405	2,441
Materials and Supplies	4,012	3,418	594
<i>Total Training</i>	<u>142,034</u>	<u>138,784</u>	<u>3,250</u>
<i>Total Expenditures</i>	<u>6,399,013</u>	<u>6,337,449</u>	<u>61,564</u>
<i>Excess of Revenues Under Expenditures</i>	(4,128,140)	(3,902,959)	225,181
Other Financing Sources:			
Transfers-In	4,091,599	3,849,257	(242,342)
<i>Net Change in Fund Balance</i>	(36,541)	(53,702)	(17,161)
<i>Fund Balance at Beginning of Year</i>	38,336	38,336	0
<i>Prior Year Encumbrances Appropriated</i>	<u>84,656</u>	<u>84,656</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>\$86,451</u>	<u>\$69,290</u>	<u>(\$17,161)</u>

City of Fairborn, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Police Fund
For the Year Ended December 31, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Property Taxes	\$154,000	\$147,646	(\$6,354)
Fines, Licenses and Permits	1,000	1,925	925
Charges for Services	69,000	48,637	(20,363)
Intergovernmental	54,133	93,079	38,946
Other	32,678	6,355	(26,323)
<i>Total Revenues</i>	<u>310,811</u>	<u>297,642</u>	<u>(13,169)</u>
Expenditures:			
Current:			
Public Safety			
Police Administrative Services			
Personal Services	459,736	457,487	2,249
Contractual Services	284,124	273,442	10,682
Materials and Supplies	41,265	37,928	3,337
<i>Total Police Administrative Services</i>	<u>785,125</u>	<u>768,857</u>	<u>16,268</u>
Police Dispatch			
Personal Services	895,250	871,344	23,906
Contractual Services	55,517	52,194	3,323
<i>Total Police Dispatch</i>	<u>950,767</u>	<u>923,538</u>	<u>27,229</u>
Police Detective Section			
Personal Services	832,659	823,267	9,392
Contractual Services	6,130	5,669	461
Materials and Supplies	30,587	17,578	13,009
<i>Total Police Detective Section</i>	<u>869,376</u>	<u>846,514</u>	<u>22,862</u>
Police Patrol Section			
Personal Services	3,121,606	3,088,883	32,723
Contractual Services	10,700	8,695	2,005
Materials and Supplies	107,842	101,706	6,136
<i>Total Police Patrol Section</i>	<u>3,240,148</u>	<u>3,199,284</u>	<u>40,864</u>
Police Animal Control			
Contractual Services	71,303	70,903	400
D.A.R.E.			
Personal Services	107,751	104,977	2,774
Contractual Services	105	40	65
<i>Total D.A.R.E.</i>	<u>107,856</u>	<u>105,017</u>	<u>2,839</u>
<i>Total Public Safety</i>	<u>\$6,024,575</u>	<u>\$5,914,113</u>	<u>\$110,462</u>

(Continued)

City of Fairborn, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Police Fund
For the Year Ended December 31, 2009
(Continued)

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Capital Outlay			
Capital Outlay	\$93,202	\$93,202	\$0
<i>Total Expenditures</i>	<u>6,117,777</u>	<u>6,007,315</u>	<u>110,462</u>
<i>Excess of Revenues Under Expenditures</i>	(5,806,966)	(5,709,673)	97,293
Other Financing Sources:			
Transfers-In	<u>5,835,669</u>	<u>5,820,530</u>	<u>(15,139)</u>
<i>Net Change in Fund Balance</i>	28,703	110,857	82,154
<i>Fund Balance at Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$28,703</u></u>	<u><u>\$110,857</u></u>	<u><u>\$82,154</u></u>

City of Fairborn, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
General Bond Retirement Fund
For the Year Ended December 31, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Property Taxes	\$136,343	\$149,264	\$12,921
Charges for Services	31,000	55,255	24,255
Intergovernmental	19,478	18,870	(608)
Special Assessments	345,349	394,238	48,889
<i>Total Revenues</i>	<u>532,170</u>	<u>617,627</u>	<u>85,457</u>
Expenditures:			
Current:			
General Government			
Special Assessments			
Contractual Services	36,361	34,785	1,576
Debt Service			
Principal Retirement	451,285	451,285	0
Interest and Fiscal Charges	152,052	152,050	2
<i>Total Debt Service</i>	<u>603,337</u>	<u>603,335</u>	<u>2</u>
<i>Total Expenditures</i>	<u>639,698</u>	<u>638,120</u>	<u>1,578</u>
<i>Net Change in Fund Balance</i>	(107,528)	(20,493)	87,035
<i>Fund Balance at Beginning of Year</i>	346,176	346,176	0
<i>Prior Year Encumbrances Appropriated</i>	39	39	0
<i>Fund Balance at End of Year</i>	<u>\$238,687</u>	<u>\$325,722</u>	<u>\$87,035</u>

City of Fairborn, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Tax Increment Financing Fund
For the Year Ended December 31, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Revenue in Lieu of Taxes	\$90,000	\$103,277	\$13,277
Expenditures:			
Current:			
General Government			
Tax Increment Financing			
Contractual Services	13,000	12,904	96
Debt Service			
Principal Retirement	1,957,762	1,957,762	0
Interest and Fiscal Charges	79,618	74,030	5,588
<i>Total Debt Service</i>	<u>2,037,380</u>	<u>2,031,792</u>	<u>5,588</u>
<i>Total Expenditures</i>	<u>2,050,380</u>	<u>2,044,696</u>	<u>5,684</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(1,960,380)</u>	<u>(1,941,419)</u>	<u>18,961</u>
Other Financing Sources:			
Notes Issued	2,012,000	1,957,762	(54,238)
Premium on Notes Issued	0	16,948	16,948
<i>Total Other Financing Sources</i>	<u>2,012,000</u>	<u>1,974,710</u>	<u>(37,290)</u>
<i>Net Change in Fund Balance</i>	51,620	33,291	(18,329)
<i>Fund Balance at Beginning of Year</i>	<u>20,665</u>	<u>20,665</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$72,285</u></u>	<u><u>\$53,956</u></u>	<u><u>(\$18,329)</u></u>

City of Fairborn, Ohio
Schedule of Revenues, Expenses and Changes
In Fund Equity - Budget and Actual (Non-GAAP Basis)
Water Fund
For the Year Ended December 31, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for Services	\$3,749,662	\$3,533,042	(\$216,620)
Tap-In Fees	30,000	37,460	7,460
Investment Earnings	30,000	50,835	20,835
Grants	0	5,491	5,491
Notes Issued	3,501,813	3,487,000	(14,813)
Premium on Notes Issued	10,911	25,724	14,813
Other	9,500	17,335	7,835
<i>Total Revenues</i>	<u>7,331,886</u>	<u>7,156,887</u>	<u>(174,999)</u>
Expenses:			
Personal Services	1,108,250	1,089,168	19,082
Contractual Services	1,349,890	1,292,623	57,267
Materials and Supplies	236,608	215,557	21,051
Capital Outlay	693,488	617,610	75,878
Debt Service:			
Principal Retirement	4,094,935	4,094,935	0
Interest and Fiscal Charges	182,777	182,777	0
<i>Total Expenses</i>	<u>7,665,948</u>	<u>7,492,670</u>	<u>173,278</u>
<i>Net Change in Fund Equity</i>	(334,062)	(335,783)	(1,721)
<i>Fund Equity at Beginning of Year</i>	2,571,291	2,571,291	0
<i>Prior Year Encumbrances Appropriated</i>	<u>326,422</u>	<u>326,422</u>	<u>0</u>
<i>Fund Equity at End of Year</i>	<u><u>\$2,563,651</u></u>	<u><u>\$2,561,930</u></u>	<u><u>(\$1,721)</u></u>

City of Fairborn, Ohio
Schedule of Revenues, Expenses and Changes
In Fund Equity - Budget and Actual (Non-GAAP Basis)
Sewer Fund
For the Year Ended December 31, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for Services	\$5,746,516	\$5,576,579	(\$169,937)
Tap-In Fees	20,000	44,330	24,330
Investment Earnings	50,000	69,946	19,946
Grants	0	3,392	3,392
Notes Issued	8,228,383	7,148,000	(1,080,383)
Premium on Notes Issued	22,380	52,762	30,382
Other	6,184	9,202	3,018
<i>Total Revenues</i>	<u>14,073,463</u>	<u>12,904,211</u>	<u>(1,169,252)</u>
Expenses:			
Personal Services	1,529,874	1,484,411	45,463
Contractual Services	2,268,069	2,146,282	121,787
Materials and Supplies	343,000	286,805	56,195
Capital Outlay	4,492,254	4,267,300	224,954
Debt Service:			
Principal Retirement	8,023,774	8,023,774	0
Interest and Fiscal Charges	388,199	388,199	0
<i>Total Expenses</i>	<u>17,045,170</u>	<u>16,596,771</u>	<u>448,399</u>
<i>Net Change in Fund Equity</i>	(2,971,707)	(3,692,560)	(720,853)
<i>Fund Equity at Beginning of Year</i>	2,719,513	2,719,513	0
<i>Prior Year Encumbrances Appropriated</i>	<u>4,073,004</u>	<u>4,073,004</u>	<u>0</u>
<i>Fund Equity at End of Year</i>	<u><u>\$3,820,810</u></u>	<u><u>\$3,099,957</u></u>	<u><u>(\$720,853)</u></u>

City of Fairborn, Ohio
Schedule of Revenues, Expenses and Changes
In Fund Equity - Budget and Actual (Non-GAAP Basis)
Sanitation Fund
For the Year Ended December 31, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for Services	\$2,942,475	\$2,496,378	(\$446,097)
Expenses:			
Personal Services	94,325	83,951	10,374
Contractual Services	2,752,671	2,603,756	148,915
Materials and Supplies	35,367	20,977	14,390
<i>Total Expenses</i>	2,882,363	2,708,684	173,679
<i>Net Change in Fund Equity</i>	60,112	(212,306)	(272,418)
<i>Fund Equity at Beginning of Year</i>	610,508	610,508	0
<i>Prior Year Encumbrances Appropriated</i>	113,941	113,941	0
<i>Fund Equity at End of Year</i>	\$784,561	\$512,143	(\$272,418)

City of Fairborn, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Street Maintenance and Repair Fund
For the Year Ended December 31, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Investment Earnings	\$0	\$25,105	\$25,105
Intergovernmental	1,103,000	1,125,235	22,235
Other	2,614	2,205	(409)
<i>Total Revenues</i>	<u>1,105,614</u>	<u>1,152,545</u>	<u>46,931</u>
Expenditures:			
Current:			
Transportation and Street Repair			
General Street Administration			
Personal Services	117,755	112,245	5,510
Contractual Services	142,662	137,269	5,393
Materials and Supplies	3,997	3,678	319
<i>Total General Street Administration</i>	<u>264,414</u>	<u>253,192</u>	<u>11,222</u>
Maintenance and Repairs			
Personal Services	347,654	335,935	11,719
Contractual Services	2,960	2,916	44
Materials and Supplies	301,592	300,576	1,016
<i>Total Maintenance and Repairs</i>	<u>652,206</u>	<u>639,427</u>	<u>12,779</u>
Traffic Signs and Signals			
Personal Services	105,265	103,388	1,877
Contractual Services	22,981	20,382	2,599
Materials and Supplies	39,961	38,531	1,430
<i>Total Traffic Signs and Signals</i>	<u>168,207</u>	<u>162,301</u>	<u>5,906</u>
<i>Total Transportation and Street Repair</i>	<u>1,084,827</u>	<u>1,054,920</u>	<u>29,907</u>
Capital Outlay			
Capital Outlay	195,619	98,232	97,387
<i>Total Expenditures</i>	<u>1,280,446</u>	<u>1,153,152</u>	<u>127,294</u>
<i>Excess of Revenues Under Expenditures</i>	(174,832)	(607)	174,225
Other Financing Uses:			
Transfers-Out	(13,300)	(13,300)	0
<i>Net Change in Fund Balance</i>	(188,132)	(13,907)	174,225
<i>Fund Balance at Beginning of Year</i>	856,447	856,447	0
<i>Prior Year Encumbrances Appropriated</i>	56,724	56,724	0
<i>Fund Balance at End of Year</i>	<u>\$725,039</u>	<u>\$899,264</u>	<u>\$174,225</u>

City of Fairborn, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
State Highway Fund
For the Year Ended December 31, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Investment Earnings	\$0	\$3,788	\$3,788
Intergovernmental	89,600	92,418	2,818
Other	101	142	41
<i>Total Revenues</i>	<u>89,701</u>	<u>96,348</u>	<u>6,647</u>
Expenditures:			
Current:			
Transportation and Street Repair			
State Highway Maintenance			
Personal Services	50,214	45,714	4,500
Contractual Services	7,713	6,384	1,329
Materials and Supplies	22,788	22,688	100
<i>Total Expenditures</i>	<u>80,715</u>	<u>74,786</u>	<u>5,929</u>
<i>Net Change in Fund Balance</i>	8,986	21,562	12,576
<i>Fund Balance at Beginning of Year</i>	133,234	133,234	0
<i>Prior Year Encumbrances Appropriated</i>	<u>1,909</u>	<u>1,909</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$144,129</u></u>	<u><u>\$156,705</u></u>	<u><u>\$12,576</u></u>

City of Fairborn, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Cemetery Fund
For the Year Ended December 31, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for Services	\$17,100	\$48,231	\$31,131
Other	253	417	164
<i>Total Revenues</i>	<u>17,353</u>	<u>48,648</u>	<u>31,295</u>
Expenditures:			
Current:			
Public Health and Welfare			
Cemetery Operations			
Personal Services	72,792	70,862	1,930
Contractual Services	11,355	11,210	145
Materials and Supplies	9,533	8,268	1,265
<i>Total Public Health and Welfare</i>	<u>93,680</u>	<u>90,340</u>	<u>3,340</u>
Capital Outlay			
Capital Outlay	8,454	8,103	351
<i>Total Expenditures</i>	<u>102,134</u>	<u>98,443</u>	<u>3,691</u>
<i>Excess of Revenues Under Expenditures</i>	(84,781)	(49,795)	34,986
Other Financing Sources:			
Transfers-In	104,913	104,913	0
<i>Net Change in Fund Balance</i>	20,132	55,118	34,986
<i>Fund Balance at Beginning of Year</i>	127	127	0
<i>Prior Year Encumbrances Appropriated</i>	<u>1,550</u>	<u>1,550</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>\$21,809</u>	<u>\$56,795</u>	<u>\$34,986</u>

City of Fairborn, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Community Development Fund
For the Year Ended December 31, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$603,105	\$431,793	(\$171,312)
Other	3,408	4,332	924
<i>Total Revenues</i>	<u>606,513</u>	<u>436,125</u>	<u>(170,388)</u>
Expenditures:			
Current:			
Community Development			
Entitlement Administration			
Personal Services	39,540	39,005	535
Contractual Services	10,446	8,370	2,076
Materials and Supplies	3,100	1,900	1,200
<i>Total Entitlement Administration</i>	<u>53,086</u>	<u>49,275</u>	<u>3,811</u>
Entitlement Housing Rehab			
Personal Services	34,581	26,211	8,370
Contractual Services	159,064	158,918	146
<i>Total Entitlement Housing Rehab</i>	<u>193,645</u>	<u>185,129</u>	<u>8,516</u>
Entitlement Emergency Rehab			
Contractual Services	13,182	16,107	(2,925)
Code Enforcement			
Personal Services	56,699	55,771	928
Contractual Services	11,488	10,125	1,363
Materials and Supplies	7,112	3,662	3,450
<i>Total Code Enforcement</i>	<u>75,299</u>	<u>69,558</u>	<u>5,741</u>
Entitlement Fair Housing			
Contractual Services	6,600	6,600	0
Tool Lending Closet			
Personal Services	8,219	5,295	2,924
Contractual Services	400	69	331
Materials and Supplies	1,281	1,062	219
<i>Total Lending Closet</i>	<u>9,900</u>	<u>6,426</u>	<u>3,474</u>
Downtown Streetscape Project			
Contractual Services	7,000	4,140	2,860
Contributions to Regional Organization			
Contractual Services	6,469	3,958	2,511
Downtown FA/ADE Project			
Personal Services	1,578	3,677	(2,099)
Contractual Services	6,042	6,041	1
<i>Total Downtown FA/ADE Project</i>	<u>7,620</u>	<u>9,718</u>	<u>(2,098)</u>
<i>Total Community Development</i>	<u>\$372,801</u>	<u>\$350,911</u>	<u>\$21,890</u>

(continued)

City of Fairborn, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Community Development Fund
For the Year Ended December 31, 2009
(Continued)

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Capital Outlay			
Capital Outlay	\$63,313	\$82,418	(\$19,105)
<i>Total Expenditures</i>	436,114	433,329	2,785
<i>Net Change in Fund Balance</i>	170,399	2,796	(167,603)
<i>Fund Balance at Beginning of Year</i>	2,583	2,583	0
<i>Prior Year Encumbrances Appropriated</i>	51,828	51,828	0
<i>Fund Balance at End of Year</i>	\$224,810	\$57,207	(\$167,603)

City of Fairborn, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Neighborhood Stabilization Fund
For the Year Ended December 31, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$88,750	\$34,939	(\$53,811)
Expenditures:			
Current:			
Community Development			
Neighborhood Stabilization Program			
Personal Services	4,375	2,825	1,550
Contractual Services	4,375	0	4,375
<i>Total Community Development</i>	8,750	2,825	5,925
Capital Outlay			
Capital Outlay	80,000	53,890	26,110
<i>Total Expenditures</i>	88,750	56,715	32,035
<i>Excess of Revenues Under Expenditures</i>	0	(21,776)	(21,776)
Other Financing Sources:			
Advances-In	0	88,750	88,750
<i>Net Change in Fund Balance</i>	0	66,974	66,974
<i>Fund Balance at Beginning of Year</i>	0	0	0
<i>Fund Balance at End of Year</i>	\$0	\$66,974	\$66,974

City of Fairborn, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Victim Witness Fund
For the Year Ended December 31, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Fines, Licenses and Permits	\$18,000	\$14,836	(\$3,164)
Intergovernmental	55,721	56,382	661
Other	225	341	116
<i>Total Revenues</i>	<u>73,946</u>	<u>71,559</u>	<u>(2,387)</u>
Expenditures:			
Current:			
Public Safety			
Administration			
Personal Services	103,583	100,801	2,782
Contractual Services	4,215	4,077	138
Materials and Supplies	1,154	1,060	94
<i>Total Expenditures</i>	<u>108,952</u>	<u>105,938</u>	<u>3,014</u>
<i>Excess of Revenues Under Expenditures</i>	(35,006)	(34,379)	627
Other Financing Sources:			
Transfers-In	31,005	31,005	0
<i>Net Change in Fund Balance</i>	(4,001)	(3,374)	627
<i>Fund Balance at Beginning of Year</i>	9,588	9,588	0
<i>Prior Year Encumbrances Appropriated</i>	1,552	1,552	0
<i>Fund Balance at End of Year</i>	<u>\$7,139</u>	<u>\$7,766</u>	<u>\$627</u>

City of Fairborn, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Victim Assistance ARRA Justice Assistance Grant Fund
For the Year Ended December 31, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:	\$0	\$0	\$0
Expenditures:			
Current:			
Public Safety			
Administration			
Personal Services	12,205	12,205	0
<i>Excess of Revenues Under Expenditures</i>	(12,205)	(12,205)	0
Other Financing Sources:			
Transfers-In	3,007	3,007	0
Advances-In	9,198	10,000	802
<i>Total Other Financing Sources</i>	12,205	13,007	802
<i>Net Change in Fund Balance</i>	0	802	802
<i>Fund Balance at Beginning of Year</i>	0	0	0
<i>Fund Balance at End of Year</i>	\$0	\$802	\$802

City of Fairborn, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Street Lighting Fund
For the Year Ended December 31, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Property Taxes	\$127,750	\$137,504	\$9,754
Intergovernmental	48,343	44,020	(4,323)
<i>Total Revenues</i>	176,093	181,524	5,431
Expenditures:			
Current:			
Public Safety			
Street Lighting			
Contractual Services	361,913	358,926	2,987
<i>Excess of Revenues Under Expenditures</i>	(185,820)	(177,402)	8,418
Other Financing Sources:			
Transfers-In	186,600	181,050	(5,550)
<i>Net Change in Fund Balance</i>	780	3,648	2,868
<i>Fund Balance at Beginning of Year</i>	790	790	0
<i>Prior Year Encumbrances Appropriated</i>	135	135	0
<i>Fund Balance at End of Year</i>	\$1,705	\$4,573	\$2,868

City of Fairborn, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
County Motor Vehicle Tax Fund
For the Year Ended December 31, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Municipal Income Taxes	\$573,677	\$618,090	\$44,413
Investment Earnings	0	20,582	20,582
Intergovernmental	866,415	423,953	(442,462)
Other	0	5,626	5,626
<i>Total Revenues</i>	<u>1,440,092</u>	<u>1,068,251</u>	<u>(371,841)</u>
Expenditures:			
Current:			
Transportation and Street Repair			
Maple Ave. Curb Resurfacing			
Contractual Services	5,000	2,500	2,500
Dayton Yellow Springs Road Phase II			
Contractual Services	109,536	109,255	281
Dayton Yellow Springs Resurfacing			
Contractual Services	2,500	2,500	0
Maple Ave. Culvert Replacement			
Contractual Services	9,600	9,600	0
Spangler Road Improvements			
Contractual Services	59,000	58,100	900
Street Tax Levy			
Contractual Services	36,737	36,436	301
<i>Total Transportation and Street Repair</i>	<u>222,373</u>	<u>218,391</u>	<u>3,982</u>
Capital Outlay			
Capital Outlay	686,917	681,259	5,658
Debt Service			
Principal Retirement	82,238	82,238	0
<i>Total Expenditures</i>	<u>991,528</u>	<u>981,888</u>	<u>9,640</u>
<i>Net Change in Fund Balance</i>	448,564	86,363	(362,201)
<i>Fund Balance at Beginning of Year</i>	263,463	263,463	0
<i>Prior Year Encumbrances Appropriated</i>	<u>521,929</u>	<u>521,929</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>\$1,233,956</u>	<u>\$871,755</u>	<u>(\$362,201)</u>

City of Fairborn, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Law Enforcement Trust Fund
For the Year Ended December 31, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Other	\$69,500	\$49,377	(\$20,123)
Expenditures:			
Current:			
Public Safety			
Safety City			
Contractual Services	11,500	7,101	4,399
Materials and Supplies	9,400	8,020	1,380
<i>Total Safety City</i>	20,900	15,121	5,779
DARE Program			
Contractual Services	1,750	818	932
Materials and Supplies	6,500	6,316	184
<i>Total DARE Program</i>	8,250	7,134	1,116
Safety City Program			
Personal Services	2,177	2,176	1
Materials and Supplies	1,500	185	1,315
<i>Total Safety City Program</i>	3,677	2,361	1,316
<i>Total Public Safety</i>	32,827	24,616	8,211
Capital Outlay			
Capital Outlay	74,600	58,729	15,871
<i>Total Expenditures</i>	107,427	83,345	24,082
<i>Net Change in Fund Balance</i>	(37,927)	(33,968)	3,959
<i>Fund Balance at Beginning of Year</i>	75,368	75,368	0
<i>Fund Balance at End of Year</i>	\$37,441	\$41,400	\$3,959

City of Fairborn, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Drug Law Enforcement Fund
For the Year Ended December 31, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Other	\$3,000	\$1,947	(\$1,053)
Expenditures:			
Current:			
Public Safety			
Drug Law Enforcement			
Contractual Services	1,000	101	899
Materials and Supplies	4,000	0	4,000
<i>Total Expenditures</i>	5,000	101	4,899
<i>Net Change in Fund Balance</i>	(2,000)	1,846	3,846
<i>Fund Balance at Beginning of Year</i>	8,465	8,465	0
<i>Fund Balance at End of Year</i>	\$6,465	\$10,311	\$3,846

City of Fairborn, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
City Motor Vehicle License Tax Fund
For the Year Ended December 31, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Municipal Income Taxes	\$1,408,353	\$1,236,181	(\$172,172)
Investment Earnings	0	26,137	26,137
Intergovernmental	292,860	134,224	(158,636)
Other	0	11,252	11,252
<i>Total Revenues</i>	<u>1,701,213</u>	<u>1,407,794</u>	<u>(293,419)</u>
Expenditures:			
Current:			
Transportation and Street Repair			
Street Tax Levy			
Contractual Services	92,675	74,646	18,029
Capital Outlay			
Capital Outlay	2,281,304	1,540,348	740,956
<i>Total Expenditures</i>	<u>2,373,979</u>	<u>1,614,994</u>	<u>758,985</u>
<i>Net Change in Fund Balance</i>	(672,766)	(207,200)	465,566
<i>Fund Balance at Beginning of Year</i>	526,927	526,927	0
<i>Prior Year Encumbrances Appropriated</i>	563,993	563,993	0
<i>Fund Balance at End of Year</i>	<u>\$418,154</u>	<u>\$883,720</u>	<u>\$465,566</u>

City of Fairborn, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Indigent Drivers Alcohol Treatment Fund
For the Year Ended December 31, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Fines, Licenses and Permits	\$24,750	\$45,726	\$20,976
Expenditures:			
Current:			
Public Safety			
Law Enforcement			
Contractual Services	47,000	14,772	32,228
<i>Net Change in Fund Balance</i>	(22,250)	30,954	53,204
<i>Fund Balance at Beginning of Year</i>	366,781	366,781	0
<i>Fund Balance at End of Year</i>	\$344,531	\$397,735	\$53,204

City of Fairborn, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Alcohol Enforcement and Education Fund
For the Year Ended December 31, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Fines, Licenses and Permits	\$3,900	\$4,544	\$644
Expenditures:			
Current:			
Public Safety			
Law Enforcement			
Contractual Services	500	476	24
Materials and Supplies	1,500	999	501
<i>Total Public Safety</i>	2,000	1,475	525
Capital Outlay			
Capital Outlay	1,500	0	1,500
<i>Total Expenditures</i>	3,500	1,475	2,025
<i>Net Change in Fund Balance</i>	400	3,069	2,669
<i>Fund Balance at Beginning of Year</i>	6,714	6,714	0
<i>Fund Balance at End of Year</i>	\$7,114	\$9,783	\$2,669

City of Fairborn, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Federal Forfeitures Fund
For the Year Ended December 31, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Fines, Licenses and Permits	\$65,000	\$40,301	(\$24,699)
Investment Earnings	12,000	7,087	(4,913)
Intergovernmental	2,000	0	(2,000)
<i>Total Revenues</i>	<u>79,000</u>	<u>47,388</u>	<u>(31,612)</u>
Expenditures:			
Current:			
Public Safety			
Law Enforcement			
Contractual Services	14,000	8,821	5,179
Materials and Supplies	20,137	14,197	5,940
<i>Total Public Safety</i>	34,137	23,018	11,119
Capital Outlay			
Capital Outlay	288,000	142,519	145,481
<i>Total Expenditures</i>	<u>322,137</u>	<u>165,537</u>	<u>156,600</u>
<i>Net Change in Fund Balance</i>	(243,137)	(118,149)	124,988
<i>Fund Balance at Beginning of Year</i>	310,726	310,726	0
<i>Prior Year Encumbrances Appropriated</i>	8,325	8,325	0
<i>Fund Balance at End of Year</i>	<u>\$75,914</u>	<u>\$200,902</u>	<u>\$124,988</u>

City of Fairborn, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Municipal Probation Services Fund
For the Year Ended December 31, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Fines, Licenses and Permits	\$88,500	\$101,083	\$12,583
Expenditures:			
Current:			
Public Safety			
Law Enforcement			
Personal Services	186,151	179,203	6,948
Contractual Services	2,333	1,743	590
Materials and Supplies	2,000	2,000	0
<i>Total Public Safety</i>	190,484	182,946	7,538
Capital Outlay			
Capital Outlay	12,500	8,000	4,500
<i>Total Expenditures</i>	202,984	190,946	12,038
<i>Net Change in Fund Balance</i>	(114,484)	(89,863)	24,621
<i>Fund Balance at Beginning of Year</i>	310,500	310,500	0
<i>Prior Year Encumbrances Appropriated</i>	2,719	2,719	0
<i>Fund Balance at End of Year</i>	\$198,735	\$223,356	\$24,621

City of Fairborn, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Traffic Intervention Fund
For the Year Ended December 31, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Fines, Licenses and Permits	\$0	\$7,700	\$7,700
Expenditures:	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	0	7,700	7,700
<i>Fund Balance at Beginning of Year</i>	<u>1,420</u>	<u>1,420</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$1,420</u></u>	<u><u>\$9,120</u></u>	<u><u>\$7,700</u></u>

City of Fairborn, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Court Legal Research/Computerization Fund
For the Year Ended December 31, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Fines, Licenses and Permits	\$26,516	\$24,516	(\$2,000)
Expenditures:			
Current:			
General Government			
Municipal Court			
Contractual Services	2,000	125	1,875
<i>Net Change in Fund Balance</i>	24,516	24,391	(125)
<i>Fund Balance at Beginning of Year</i>	0	0	0
<i>Fund Balance at End of Year</i>	\$24,516	\$24,391	(\$125)

City of Fairborn, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Court Clerk Computerization Fund
For the Year Ended December 31, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Fines, Licenses and Permits	\$98,314	\$86,194	(\$12,120)
Expenditures:			
Current:			
General Government			
Municipal Court			
Personal Services	22,143	21,932	211
Contractual Services	3,571	3,538	33
<i>Total General Government</i>	25,714	25,470	244
Capital Outlay			
Capital Outlay	60,075	60,041	34
<i>Total Expenditures</i>	85,789	85,511	278
<i>Net Change in Fund Balance</i>	12,525	683	(11,842)
<i>Fund Balance at Beginning of Year</i>	0	0	0
<i>Fund Balance at End of Year</i>	\$12,525	\$683	(\$11,842)

City of Fairborn, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Indigent Driver 's Interlock and Alcohol Monitoring Fund
For the Year Ended December 31, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Fines, Licenses and Permits	\$9,500	\$11,041	\$1,541
Expenditures:	0	0	0
<i>Net Change in Fund Balance</i>	9,500	11,041	1,541
<i>Fund Balance at Beginning of Year</i>	0	0	0
<i>Fund Balance at End of Year</i>	\$9,500	\$11,041	\$1,541

City of Fairborn, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Clean Ohio Revitalization Fund
For the Year Ended December 31, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:	\$200,000	\$0	(\$200,000)
Expenditures:			
Current:			
General Government			
Calamityville			
Contractual Services	254,220	5,470	248,750
Debt Service			
Interest and Fiscal Charges	3,841	3,840	1
<i>Total Expenditures</i>	258,061	9,310	248,751
<i>Excess of Revenues Under Expenditures</i>	(58,061)	(9,310)	48,751
Other Financing Sources:			
Notes Issued	1,200,000	1,200,000	0
Premium on Notes Issued	8,061	10,056	1,995
<i>Total Other Financing Sources</i>	1,208,061	1,210,056	1,995
<i>Net Change in Fund Balance</i>	1,150,000	1,200,746	50,746
<i>Fund Balance at Beginning of Year</i>	0	0	0
<i>Fund Balance at End of Year</i>	\$1,150,000	\$1,200,746	\$50,746

City of Fairborn, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Byrne Justice Assistance Grant Fund
For the Year Ended December 31, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$20,652	\$20,652	\$0
Expenditures:			
Current:			
Public Safety			
Byrne Justice Assistance Grant			
Contractual Services	10,326	10,326	0
Materials and Supplies	10,326	0	10,326
<i>Total Expenditures</i>	20,652	10,326	10,326
<i>Net Change in Fund Balance</i>	0	10,326	10,326
<i>Fund Balance at Beginning of Year</i>	0	0	0
<i>Fund Balance at End of Year</i>	\$0	\$10,326	\$10,326

City of Fairborn, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Uninsured Loss Fund
For the Year Ended December 31, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$0	\$1,733	\$1,733
Other	46,347	49,495	3,148
<i>Total Revenues</i>	<u>46,347</u>	<u>51,228</u>	<u>4,881</u>
Expenditures:			
Current:			
General Government			
Uninsured Loss			
Contractual Services	40,040	72,170	(32,130)
Materials and Supplies	22,070	21,503	567
<i>Total General Government</i>	<u>62,110</u>	<u>93,673</u>	<u>(31,563)</u>
Capital Outlay			
Capital Outlay	4,186	4,186	0
<i>Total Expenditures</i>	<u>66,296</u>	<u>97,859</u>	<u>(31,563)</u>
<i>Net Change in Fund Balance</i>	(19,949)	(46,631)	(26,682)
<i>Fund Balance at Beginning of Year</i>	123,906	123,906	0
<i>Prior Year Encumbrances Appropriated</i>	13,026	13,026	0
<i>Fund Balance at End of Year</i>	<u>\$116,983</u>	<u>\$90,301</u>	<u>(\$26,682)</u>

City of Fairborn, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Issue II Improvement Fund
For the Year Ended December 31, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$102,152	\$102,152	\$0
Expenditures:			
Capital Outlay			
Capital Outlay	102,152	102,152	0
<i>Net Change in Fund Balance</i>	0	0	0
<i>Fund Balance at Beginning of Year</i>	0	0	0
<i>Fund Balance at End of Year</i>	\$0	\$0	\$0

City of Fairborn, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Municipal Court Improvement Fund
For the Year Ended December 31, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Fines, Licenses and Permits	\$224,442	\$79,012	(\$145,430)
Expenditures:			
Current:			
General Government			
Municipal Court Capital			
Personal Services	16,614	16,614	0
Municipal Court Technology			
Contractual Services	21,685	21,685	0
<i>Total General Government</i>	38,299	38,299	0
Capital Outlay			
Capital Outlay	25,840	25,840	0
<i>Total Expenditures</i>	64,139	64,139	0
<i>Excess of Revenues Over Expenditures</i>	160,303	14,873	(145,430)
Other Financing Uses:			
Transfers-Out	(203,700)	0	203,700
<i>Net Change in Fund Balance</i>	(43,397)	14,873	58,270
<i>Fund Balance at Beginning of Year</i>	186,875	186,875	0
<i>Prior Year Encumbrances Appropriated</i>	1,952	1,952	0
<i>Fund Balance at End of Year</i>	\$145,430	\$203,700	\$58,270

City of Fairborn, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Court Special Projects Fund
For the Year Ended December 31, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Fines, Licenses and Permits	\$183,350	\$154,303	(\$29,047)
Expenditures:			
Current:			
General Government			
Skyway Plaza Improvement			
Contractual Services	134,450	134,450	0
Materials and Supplies	600	500	100
<i>Total General Government</i>	135,050	134,950	100
Capital Outlay			
Capital Outlay	64,400	1,168	63,232
<i>Total Expenditures</i>	199,450	136,118	63,332
<i>Net Change in Fund Balance</i>	(16,100)	18,185	34,285
<i>Fund Balance at Beginning of Year</i>	67,089	67,089	0
<i>Fund Balance at End of Year</i>	\$50,989	\$85,274	\$34,285

City of Fairborn, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
General Capital Improvement Fund
For the Year Ended December 31, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Investment Earnings	\$10,000	\$9,385	(\$615)
Intergovernmental	230,970	136,186	(94,784)
Other	2,500	20,353	17,853
<i>Total Revenues</i>	<u>243,470</u>	<u>165,924</u>	<u>(77,546)</u>
Expenditures:			
Current:			
General Government			
General Capital Improvement			
Contractual Services	50,388	50,327	61
Materials and Supplies	37,270	28,000	9,270
<i>Total General Government</i>	<u>87,658</u>	<u>78,327</u>	<u>9,331</u>
Capital Outlay			
Capital Outlay	248,587	178,906	69,681
Debt Service			
Principal Retirement	30,000	30,000	0
Interest and Fiscal Charges	1,500	1,500	0
<i>Total Debt Service</i>	<u>31,500</u>	<u>31,500</u>	<u>0</u>
<i>Total Expenditures</i>	<u>367,745</u>	<u>288,733</u>	<u>79,012</u>
<i>Excess of Revenues Under Expenditures</i>	(124,275)	(122,809)	1,466
Other Financing Sources:			
Transfers-In	163,141	155,078	(8,063)
<i>Net Change in Fund Balance</i>	38,866	32,269	(6,597)
<i>Fund Balance at Beginning of Year</i>	92,423	92,423	0
<i>Prior Year Encumbrances Appropriated</i>	<u>177,026</u>	<u>177,026</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>\$308,315</u>	<u>\$301,718</u>	<u>(\$6,597)</u>

City of Fairborn, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Parks and Recreation Improvements Fund
For the Year Ended December 31, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Other Local Taxes	\$100,000	\$80,847	(\$19,153)
Charges for Services	15,800	15,431	(369)
Investment Earnings	15,000	10,879	(4,121)
Intergovernmental	45,500	20,276	(25,224)
Other	12,500	4,507	(7,993)
<i>Total Revenues</i>	<u>188,800</u>	<u>131,940</u>	<u>(56,860)</u>
Expenditures:			
Current:			
Leisure Time Activities			
Park and Recreation Improvements			
Contractual Services	6,500	2,000	4,500
Materials and Supplies	7,000	5,060	1,940
<i>Total Leisure Time Activities</i>	13,500	7,060	6,440
Capital Outlay			
Capital Outlay	351,051	340,773	10,278
<i>Total Expenditures</i>	<u>364,551</u>	<u>347,833</u>	<u>16,718</u>
<i>Net Change in Fund Balance</i>	(175,751)	(215,893)	(40,142)
<i>Fund Balance at Beginning of Year</i>	398,855	398,855	0
<i>Prior Year Encumbrances Appropriated</i>	45,803	45,803	0
<i>Fund Balance at End of Year</i>	<u>\$268,907</u>	<u>\$228,765</u>	<u>(\$40,142)</u>

City of Fairborn, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Source Water Protection Grant Fund
For the Year Ended December 31, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$35,000	\$26,250	(\$8,750)
Expenditures:	0	0	0
<i>Net Change in Fund Balance</i>	35,000	26,250	(8,750)
<i>Fund Balance at Beginning of Year</i>	0	0	0
<i>Fund Balance at End of Year</i>	\$35,000	\$26,250	(\$8,750)

City of Fairborn, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Maple Avenue ARRA Fund
For the Year Ended December 31, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$272,936	\$0	(\$272,936)
Expenditures:	0	0	0
<i>Net Change in Fund Balance</i>	272,936	0	(272,936)
<i>Fund Balance at Beginning of Year</i>	0	0	0
<i>Fund Balance at End of Year</i>	\$272,936	\$0	(\$272,936)

City of Fairborn, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Dayton-Yellow Springs Road ARRA Fund
For the Year Ended December 31, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$240,582	\$0	(\$240,582)
Expenditures:	0	0	0
<i>Net Change in Fund Balance</i>	240,582	0	(240,582)
<i>Fund Balance at Beginning of Year</i>	0	0	0
<i>Fund Balance at End of Year</i>	\$240,582	\$0	(\$240,582)

City of Fairborn, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
ARRA Byrne Justice Assistance Grant Fund
For the Year Ended December 31, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$145,106	\$145,106	\$0
Expenditures:			
Current:			
General Government			
Byrne Justice Assistance Grant			
Contractual Services	60,134	34,425	25,709
Capital Outlay			
Capital Outlay	84,972	0	84,972
<i>Total Expenditures</i>	<u>145,106</u>	<u>34,425</u>	<u>110,681</u>
<i>Net Change in Fund Balance</i>	0	110,681	110,681
<i>Fund Balance at Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$0</u></u>	<u><u>\$110,681</u></u>	<u><u>\$110,681</u></u>

City of Fairborn, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Public Safety Equipment/Facility Fund
For the Year Ended December 31, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Municipal Income Taxes	\$1,982,030	\$1,854,271	(\$127,759)
Charges for Services	0	6,918	6,918
Investment Earnings	19,000	18,994	(6)
Intergovernmental	360,000	0	(360,000)
Other	4,400	26,816	22,416
<i>Total Revenues</i>	<u>2,365,430</u>	<u>1,906,999</u>	<u>(458,431)</u>
Expenditures:			
Current:			
General Government			
EMS Tax Levy			
Contractual Services	114,822	102,060	12,762
Materials and Supplies	17,350	16,248	1,102
<i>Total General Government</i>	<u>132,172</u>	<u>118,308</u>	<u>13,864</u>
Capital Outlay			
Capital Outlay	249,221	217,240	31,981
Debt Service			
Principal Retirement	960,000	960,000	0
Interest and Fiscal Charges	262,650	262,650	0
<i>Total Debt Service</i>	<u>1,222,650</u>	<u>1,222,650</u>	<u>0</u>
<i>Total Expenditures</i>	<u>1,604,043</u>	<u>1,558,198</u>	<u>45,845</u>
<i>Net Change in Fund Balance</i>	761,387	348,801	(412,586)
<i>Fund Balance at Beginning of Year</i>	45,835	45,835	0
<i>Prior Year Encumbrances Appropriated</i>	13,311	13,311	0
<i>Fund Balance at End of Year</i>	<u>\$820,533</u>	<u>\$407,947</u>	<u>(\$412,586)</u>

City of Fairborn, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Building and Land Fund
For the Year Ended December 31, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Other	\$0	\$17,668	\$17,668
Expenditures:			
Current:			
General Government			
Building and Land			
Contractual Services	58,648	58,200	448
Materials and Supplies	21,224	20,024	1,200
<i>Total General Government</i>	79,872	78,224	1,648
Capital Outlay			
Capital Outlay	233,620	211,512	22,108
Debt Service			
Principal Retirement	355,000	355,000	0
Interest and Fiscal Charges	39,624	34,260	5,364
<i>Total Debt Service</i>	394,624	389,260	5,364
<i>Total Expenditures</i>	708,116	678,996	29,120
<i>Excess of Revenues Under Expenditures</i>	(708,116)	(661,328)	46,788
Other Financing Sources:			
General Obligation Bonds Issued	307,475	0	(307,475)
Notes Issued	229,814	135,000	(94,814)
Premium on Notes Issued	0	996	996
Transfers-In	224,762	212,667	(12,095)
<i>Total Other Financing Sources</i>	762,051	348,663	(413,388)
<i>Net Change in Fund Balance</i>	53,935	(312,665)	(366,600)
<i>Fund Balance at Beginning of Year</i>	286,611	286,611	0
<i>Prior Year Encumbrances Appropriated</i>	182,135	182,135	0
<i>Fund Balance at End of Year</i>	\$522,681	\$156,081	(\$366,600)

City of Fairborn, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Special Assessment Construction Fund
For the Year Ended December 31, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for Services	\$82,500	\$53,245	(\$29,255)
Other	0	920	920
<i>Total Revenues</i>	<u>82,500</u>	<u>54,165</u>	<u>(28,335)</u>
Expenditures:			
Current:			
General Government			
Special Assessments Construction			
Contractual Services	24,615	15,725	8,890
Capital Outlay			
Capital Outlay	337,382	94,843	242,539
Debt Service			
Principal Retirement	260,000	259,715	285
Interest and Fiscal Charges	20,812	14,602	6,210
<i>Total Debt Service</i>	<u>280,812</u>	<u>274,317</u>	<u>6,495</u>
<i>Total Expenditures</i>	<u>642,809</u>	<u>384,885</u>	<u>257,924</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(560,309)</u>	<u>(330,720)</u>	<u>229,589</u>
Other Financing Sources:			
General Obligation Bonds Issued	200,000	135,000	(65,000)
Premium on General Obligation Bonds Issued	0	1,569	1,569
Notes Issued	305,000	501,000	196,000
Premium on Notes Issued	0	2,130	2,130
<i>Total Other Financing Sources</i>	<u>505,000</u>	<u>639,699</u>	<u>134,699</u>
<i>Net Change in Fund Balance</i>	(55,309)	308,979	364,288
<i>Fund Balance at Beginning of Year</i>	203,583	203,583	0
<i>Prior Year Encumbrances Appropriated</i>	<u>7,382</u>	<u>7,382</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>\$155,656</u>	<u>\$519,944</u>	<u>\$364,288</u>

City of Fairborn, Ohio
Schedule of Revenues, Expenses and Changes
In Fund Equity - Budget and Actual (Non-GAAP Basis)
Equipment Fund
For the Year Ended December 31, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for Services	\$1,124,833	\$1,104,846	(\$19,987)
Other	500	1,316	816
<i>Total Revenues</i>	<u>1,125,333</u>	<u>1,106,162</u>	<u>(19,171)</u>
Expenses:			
Personal Services	498,886	491,688	7,198
Contractual Services	57,699	55,434	2,265
Materials and Supplies	613,528	609,125	4,403
Capital Outlay	15,991	15,790	201
<i>Total Expenses</i>	<u>1,186,104</u>	<u>1,172,037</u>	<u>14,067</u>
<i>Net Change in Fund Equity</i>	(60,771)	(65,875)	(5,104)
<i>Fund Equity at Beginning of Year</i>	116,345	116,345	0
<i>Prior Year Encumbrances Appropriated</i>	<u>9,996</u>	<u>9,996</u>	<u>0</u>
<i>Fund Equity at End of Year</i>	<u><u>\$65,570</u></u>	<u><u>\$60,466</u></u>	<u><u>(\$5,104)</u></u>

City of Fairborn, Ohio
Schedule of Revenues, Expenses and Changes
In Fund Equity - Budget and Actual (Non-GAAP Basis)
Information Technology Fund
For the Year Ended December 31, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for Services	\$490,370	\$481,305	(\$9,065)
Grants	0	72	72
Other	150	151	1
<i>Total Revenues</i>	<u>490,520</u>	<u>481,528</u>	<u>(8,992)</u>
Expenses:			
Personal Services	250,065	247,475	2,590
Contractual Services	192,118	175,937	16,181
Materials and Supplies	16,336	14,834	1,502
Capital Outlay	78,429	78,381	48
<i>Total Expenses</i>	<u>536,948</u>	<u>516,627</u>	<u>20,321</u>
<i>Net Change in Fund Equity</i>	(46,428)	(35,099)	11,329
<i>Fund Equity at Beginning of Year</i>	5,366	5,366	0
<i>Prior Year Encumbrances Appropriated</i>	<u>53,367</u>	<u>53,367</u>	<u>0</u>
<i>Fund Equity at End of Year</i>	<u><u>\$12,305</u></u>	<u><u>\$23,634</u></u>	<u><u>\$11,329</u></u>

City of Fairborn, Ohio
Schedule of Revenues, Expenses and Changes
In Fund Equity - Budget and Actual (Non-GAAP Basis)
Employee Assistance Program Fund
For the Year Ended December 31, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Investment Earnings	\$32,266	\$8,750	(\$23,516)
Expenses:			
Personal Services	87,556	70,144	17,412
Contractual Services	7,175	7,075	100
<i>Total Expenses</i>	94,731	77,219	17,512
<i>Net Change in Fund Equity</i>	(62,465)	(68,469)	(6,004)
<i>Fund Equity at Beginning of Year</i>	376,341	376,341	0
<i>Prior Year Encumbrances Appropriated</i>	10,877	10,877	0
<i>Fund Equity at End of Year</i>	\$324,753	\$318,749	(\$6,004)



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STATISTICAL TABLES

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

<u>CONTENTS</u>	<u>PAGES</u>
Financial Trends	166-175
These schedules contain trend information to help the reader understand how the City’s financial performance and well-being have changed over time.	
Revenue Capacity	176-184
These schedules contain information to help the reader assess the City’s most significant local revenue sources, property taxes and income taxes.	
Debt Capacity	186-195
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.	
Demographic and Economic Information	196-197
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City’s financial activities take place.	
Operating information	198-203
These schedules contain service and infrastructure data to help the reader understand how the information in the City’s financial reports 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 No. 34* in 2002. Schedules presenting government-wide information include information beginning in that year.

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

	2002	2003	2004
Governmental Activities			
Invested in Capital Assets, Net of Related Debt	\$54,620,618	\$51,699,260	\$53,449,082
Restricted	2,288,050	8,908,087	7,825,897
Unrestricted	8,904,252	4,827,281	5,471,500
<i>Total governmental Activities Net Assets</i>	<u>\$65,812,920</u>	<u>\$65,434,628</u>	<u>\$66,746,479</u>
Business-Type Activities			
Invested in Capital Assets, Net of Related Debt	\$6,384,413	\$8,410,344	\$9,532,806
Unrestricted	7,465,721	5,979,615	6,425,634
<i>Total Business-Type Activities Net Assets</i>	<u>\$13,850,134</u>	<u>\$14,389,959</u>	<u>\$15,958,440</u>
Total Primary Government			
Invested in Capital Assets, Net of Related Debt	\$61,005,031	\$60,109,604	\$62,981,888
Restricted	2,288,050	8,908,087	7,825,897
Unrestricted	16,369,973	10,806,896	11,897,134
<i>Total Primary Government Net Assets</i>	<u>\$79,663,054</u>	<u>\$79,824,587</u>	<u>\$82,704,919</u>

2005	2006	2007	2008	2009
\$53,703,616	\$52,488,251	\$54,537,585	\$56,578,526	\$57,492,409
5,536,261	9,740,033	6,871,704	9,231,712	11,579,836
7,725,904	5,223,383	9,007,506	7,221,856	5,834,667
<u>\$66,965,781</u>	<u>\$67,451,667</u>	<u>\$70,416,795</u>	<u>\$73,032,094</u>	<u>\$74,906,912</u>
\$9,458,159	\$10,090,771	\$9,928,349	\$11,700,861	\$13,391,926
7,517,353	6,670,119	7,169,040	6,733,325	6,413,278
<u>\$16,975,512</u>	<u>\$16,760,890</u>	<u>\$17,097,389</u>	<u>\$18,434,186</u>	<u>\$19,805,204</u>
\$63,161,775	\$62,579,022	\$64,465,934	\$68,279,387	\$70,884,335
5,536,261	9,740,033	6,871,704	9,231,712	11,579,836
15,243,257	11,893,502	16,176,546	13,955,181	12,247,945
<u>\$83,941,293</u>	<u>\$84,212,557</u>	<u>\$87,514,184</u>	<u>\$91,466,280</u>	<u>\$94,712,116</u>

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

	2002	2003	2004
Program Revenues:			
Governmental Activities:			
Charges for Services:			
General Government	\$3,710,434	\$3,718,960	\$3,926,762
Public Safety	1,146,719	1,175,583	1,285,022
Leisure Time Activities	61,701	59,699	55,506
Community Development	252,513	313,328	297,960
Transportation and Street Repair	0	0	0
Public Health and Welfare	29,575	30,715	28,829
Operating Grants, Contributions and Interest	1,649,218	775,560	2,417,960
Capital Grants, Contributions and Interest	544,854	888,166	2,063,689
Total Governmental Activities Program Revenues	<u>7,395,014</u>	<u>6,962,011</u>	<u>10,075,728</u>
Business-Type Activities:			
Charges for Services:			
Water	2,584,278	2,607,726	2,836,439
Sewer	4,006,321	4,006,820	4,433,028
Sanitation	1,903,751	1,878,380	2,005,865
Operating Grants, Contributions and Interest:			
Water	0	0	0
Sewer	0	0	0
Capital Grants, Contributions and Interest			
Water	0	0	0
Sewer	0	0	0
Total Business-Type Activities Program Revenues	<u>8,494,350</u>	<u>8,492,926</u>	<u>9,275,332</u>
Total Primary Government Program Revenues	<u>15,889,364</u>	<u>15,454,937</u>	<u>19,351,060</u>
Expenses:			
Governmental Activities:			
General Government	7,051,733	7,913,833	7,992,100
Public Safety	10,224,571	10,411,559	10,864,285
Leisure Time Activities	192,053	204,881	217,512
Community Development	876,786	924,385	895,745
Transportation and Street Repair	960,594	962,684	878,685
Public Health and Welfare	170,269	161,312	161,299
Intergovernmental	0	0	0
Interest and Fiscal Charges	227,385	243,382	226,575
Total Governmental Activities Expenses	<u>19,703,391</u>	<u>20,822,036</u>	<u>21,236,201</u>
Business-Type Activities:			
Water	2,681,226	2,528,612	2,624,043
Sewer	3,657,890	3,408,437	3,158,600
Sanitation	1,784,814	2,025,971	1,946,026
Total Business-Type Activities Expenses	<u>8,123,930</u>	<u>7,963,020</u>	<u>7,728,669</u>
Total Primary Government Expenses	<u>\$27,827,321</u>	<u>\$28,785,056</u>	<u>\$28,964,870</u>

2005	2006	2007	2008	2009
\$4,113,140	\$4,804,288	\$4,255,380	\$4,468,225	\$4,735,434
1,313,898	1,498,951	1,637,736	1,643,651	1,570,569
60,430	65,446	64,074	15,800	15,431
292,286	254,979	279,014	0	0
0	0	897	0	0
34,073	32,022	29,696	27,171	46,576
2,274,918	2,504,549	2,910,842	2,852,492	3,312,494
528,654	2,186,866	672,689	1,867,845	2,049,859
8,617,399	11,347,101	9,850,328	10,875,184	11,730,363
2,805,354	2,759,818	2,975,569	3,410,484	3,535,657
4,594,321	4,840,354	4,944,647	5,466,151	5,571,836
2,010,264	2,144,265	2,246,696	2,396,874	2,482,526
0	0	0	5,813	2,657
0	0	0	3,170	1,800
0	0	0	0	37,460
0	0	0	0	44,330
9,409,939	9,744,437	10,166,912	11,282,492	11,676,266
18,027,338	21,091,538	20,017,240	22,157,676	23,406,629
9,772,999	10,850,767	9,425,790	8,784,812	9,093,180
11,379,893	13,282,937	12,753,371	13,011,273	13,664,046
257,014	486,746	300,073	301,791	389,573
1,080,955	1,147,616	1,042,518	932,039	1,030,438
1,187,932	1,214,199	1,391,534	1,461,350	2,044,120
172,154	109,854	103,575	79,371	91,313
0	0	0	195,085	207,546
663,995	598,655	726,456	577,333	523,675
24,514,942	27,690,774	25,743,317	25,343,054	27,043,891
3,204,297	3,038,417	3,289,099	3,274,444	3,421,387
4,535,248	5,155,747	4,514,767	4,717,417	4,339,587
2,027,626	2,054,612	2,523,416	2,109,350	2,702,870
9,767,171	10,248,776	10,327,282	10,101,211	10,463,844
\$34,282,113	\$37,939,550	\$36,070,599	\$35,444,265	\$37,507,735

(continued)

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

	2002	2003	2004
Net (Expense)/Revenue			
Governmental Activities	(\$12,308,377)	(\$13,860,025)	(\$11,160,473)
Business-Type Activities	370,420	529,906	1,546,663
Total Primary Government Net Expenses	(11,937,957)	(13,330,119)	(9,613,810)
General Revenues and Other Changes in Net Assets			
Governmental Activities:			
Property Taxes Levied for: (1)			
General Purposes	2,405,119	2,425,051	2,913,868
Fire and EMS	0	0	0
Police	0	0	0
Debt Service	155,383	89,952	151,616
Street Lighting	0	0	0
Special Revenue	162,637	162,112	180,544
Capital Projects	92,417	95,147	91,998
Other Local Taxes	0	0	0
Municipal Income Taxes (2)	5,488,820	6,534,126	6,293,807
Municipal Income Taxes Levied For:			
General Purposes	0	0	0
Street Programs	0	0	0
Capital Outlay	0	0	0
Revenue in Lieu of Taxes	0	0	0
Grants and Entitlements not			
Restricted to Specific Programs	3,176,277	3,456,098	1,832,128
Unrestricted Contributions	0	0	0
Investment Earnings	372,162	240,579	241,769
Refunds and Reimbursements	0	0	0
Other	689,280	479,904	788,312
Transfers-Internal Activities	0	(21,136)	(21,818)
Special Item: Sale of Stock	559,980	0	0
Total Governmental Activities	13,102,075	13,461,833	12,472,224
Business-Type Activities:			
Investment earnings	0	0	0
Other	0	0	0
Transfers-Internal Activities	0	21,136	21,818
Total Business-Type Activities	0	21,136	21,818
Total Primary Government	13,102,075	13,482,969	12,494,042
Prior Year Restatement of Governmental Activities Net Assets	0	0	0
Prior Year Restatement of Business-Type Activities Net Assets	0	0	0
Change in Net Assets:			
Governmental Activities	793,698	(398,192)	1,311,751
Business-Type Activities	370,420	551,042	1,568,481
Total Primary Government	\$1,164,118	\$152,850	\$2,880,232

(1) During 2008, the City changed the categories of property taxes

(2) Prior to 2008, the City did not separate municipal income taxes by category

2005	2006	2007	2008	2009
(\$15,897,543)	(\$16,343,673)	(\$15,892,989)	(\$14,467,870)	(\$15,313,528)
(357,232)	(504,339)	(160,370)	1,181,281	1,212,422
(16,254,775)	(16,848,012)	(16,053,359)	(13,286,589)	(14,101,106)
2,900,527	2,458,468	2,174,289	1,751,432	1,604,334
0	0	0	373,158	373,388
0	0	0	0	148,183
157,749	160,196	146,175	133,767	149,933
0	0	0	142,205	134,505
192,806	2,303,320	564,276	0	0
89,878	80,359	159,966	0	0
0	0	0	840,651	738,667
9,478,816	8,985,856	11,791,441	0	0
0	0	0	8,488,898	7,384,148
0	0	0	2,060,948	1,853,273
0	0	0	2,030,024	1,848,135
0	0	0	294,409	310,823
1,917,607	1,432,939	2,357,094	2,072,364	2,148,568
0	60,711	0	0	0
712,500	895,623	1,048,527	958,903	125,503
0	219,905	0	0	0
860,658	240,363	227,875	410,769	368,886
(11,614)	(8,181)	(11,212)	0	0
0	0	0	0	0
16,298,927	16,829,559	18,458,431	19,557,528	17,188,346
0	184,557	259,186	113,524	126,621
0	96,979	76,471	41,992	31,975
11,614	8,181	11,212	0	0
11,614	289,717	346,869	155,516	158,596
16,310,541	17,119,276	18,805,300	19,713,044	17,346,942
0	0	399,686	0	0
0	0	150,000	0	0
401,384	485,886	2,965,128	5,089,658	1,874,818
(345,618)	(214,622)	336,499	1,336,797	1,371,018
\$55,766	\$271,264	\$3,301,627	\$6,426,455	\$3,245,836

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

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
General Fund				
Reserved	\$228,371	\$177,974	\$568,219	\$245,934
Unreserved	<u>4,462,869</u>	<u>4,895,298</u>	<u>4,005,389</u>	<u>3,790,060</u>
Total General Fund	<u>4,691,240</u>	<u>5,073,272</u>	<u>4,573,608</u>	<u>4,035,994</u>
All Other Governmental Funds				
Reserved	1,699,671	1,248,572	1,115,820	1,507,275
Unreserved, Undesignated (Deficit) Reported in:				
Special Revenue Funds	816,257	689,825	1,135,057	1,118,846
Debt Service Fund	0	0	0	0
Capital Projects Funds	<u>164,678</u>	<u>511,614</u>	<u>307,038</u>	<u>978,497</u>
Total all Other Governmental Funds	<u>2,680,606</u>	<u>2,450,011</u>	<u>2,557,915</u>	<u>3,604,618</u>
All Governmental Funds	<u><u>\$7,371,846</u></u>	<u><u>\$7,523,283</u></u>	<u><u>\$7,131,523</u></u>	<u><u>\$7,640,612</u></u>

2004	2005	2006	2007	2008	2009
\$217,896	\$168,628	\$245,018	\$134,360	\$202,949	\$243,901
3,776,580	4,641,173	5,202,888	5,577,044	4,496,405	3,522,534
3,994,476	4,809,801	5,447,906	5,711,404	4,699,354	3,766,435
743,955	2,188,633	1,916,625	747,853	650,135	2,017,230
1,100,078	1,026,335	2,500,629	2,342,636	2,678,806	3,274,776
0	0	380,838	369,454	346,215	325,721
1,051,916	7,144,789	(1,980,179)	(899,905)	(541,650)	(334,303)
2,895,949	10,359,757	2,817,913	2,560,038	3,133,506	5,283,424
\$6,890,425	\$15,169,558	\$8,265,819	\$8,271,442	\$7,832,860	\$9,049,859

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

	2000	2001	2002	2003
Revenues:				
Property Taxes	\$0	\$0	\$0	\$0
Other Local Taxes	0	0	0	0
Municipal Income Taxes	0	0	0	0
Revenue in Lieu of Taxes	0	0	0	0
Taxes (1)	8,735,721	8,765,407	8,993,618	9,341,627
Fines, Licenses and Permits	1,897,908	1,758,798	1,801,303	1,733,554
Charges for Services	2,527,421	3,240,197	3,368,475	3,552,641
Investment Earnings	825,924	668,771	361,252	233,397
Intergovernmental	5,228,410	5,016,154	4,938,871	4,862,993
Special Assessments	444,465	469,622	387,253	450,642
Contributions and Donations	0	0	0	0
Other	259,730	617,671	599,130	439,315
Total Revenues	19,919,579	20,536,620	20,449,902	20,614,169
Expenditures:				
Current:				
General Government	5,459,244	5,496,951	5,752,593	5,777,571
Public Safety	8,865,052	9,685,004	9,868,946	9,976,207
Leisure Time Activities	183,547	183,800	161,955	170,123
Community Development	752,221	822,128	818,227	873,993
Transportation and Street Repair	834,842	789,720	899,133	866,139
Public Health and Welfare	142,944	151,234	152,562	155,009
Capital Outlay	2,348,026	2,608,648	2,743,730	2,469,469
Intergovernmental	0	0	0	0
Debt Service:				
Principal Retirement	423,000	459,000	426,000	435,000
Interest and Fiscal Charges	311,417	282,674	238,408	241,730
Total Expenditures	19,320,293	20,479,159	21,061,554	20,965,241
Excess of Revenues				
Over (Under) Expenditures	599,286	57,461	(611,652)	(351,072)
Other Financing Sources (Uses):				
Premium on Bonds	0	0	0	0
Sale of Notes	0	0	0	0
Proceeds from the Sale of Capital Assets	17,651	49,465	121,657	31,307
Issuance of Long-Term Capital-Related Debt	0	0	0	760,000
Proceeds from Refunding Bonds	0	1,370,000	0	0
Proceeds to Refunding Bond Escrow Agent	0	(1,349,848)	0	0
Special Assessments Bond Issued	0	0	0	0
Refunding Notes Issued	0	0	0	0
Inception of Capital Lease	0	0	0	0
Transfers-In	1,139,291	1,180,867	1,505,756	1,897,171
Transfers-Out	(1,139,291)	(1,180,867)	(1,407,521)	(1,848,307)
Total Other Financing Sources (Uses)	17,651	69,617	219,892	840,171
Restatement of Prior Year Fund Balances	0	24,359	0	19,990
Net Change in Fund Balances	\$616,937	\$151,437	(\$391,760)	\$509,089
Debt Service as a Percentage				
of Noncapital Expenditures	4.3%	4.1%	3.6%	2.0%

(1) Prior to 2008, the City did not separate Property, Revenue in Lieu of Taxes, Other local, and Municipal Income Taxes

2004	2005	2006	2007	2008	2009
\$0	\$0	\$0	\$0	\$2,389,176	\$2,425,711
0	0	0	0	840,651	738,667
0	0	0	0	10,194,655	11,185,796
0	0	0	0	294,409	310,823
9,430,916	12,748,456	14,340,781	14,175,271	0	0
1,576,265	1,673,142	1,835,529	1,946,954	2,404,118	2,002,352
4,017,814	4,140,685	4,257,434	3,943,296	3,368,842	4,151,360
235,220	695,348	895,623	1,049,461	1,000,056	233,256
4,713,476	4,964,424	5,164,926	5,196,126	6,287,601	6,028,951
325,991	496,664	543,391	477,094	317,084	302,578
0	0	0	0	0	542,430
773,721	811,522	521,639	289,418	410,769	368,886
21,073,403	25,530,241	27,559,323	27,077,620	27,507,361	28,290,810
5,831,092	6,735,946	6,477,723	6,066,276	6,780,642	6,826,870
10,329,612	10,912,325	12,564,172	12,254,446	12,519,358	12,902,125
176,296	195,785	410,110	211,967	206,165	280,300
850,517	1,033,507	1,059,955	1,004,676	915,623	1,010,774
843,820	1,056,935	1,018,784	1,328,606	1,123,628	1,654,970
158,972	170,082	89,967	104,930	79,775	88,814
2,990,691	5,632,627	11,390,490	4,252,263	4,545,832	2,387,313
0	0	0	0	195,085	207,546
506,208	1,176,700	1,387,422	1,562,422	1,540,702	1,706,369
227,380	667,870	626,558	755,436	625,846	546,730
21,914,588	27,581,777	35,025,181	27,541,022	28,532,656	27,611,811
(841,185)	(2,051,536)	(7,465,858)	(463,402)	(1,025,295)	678,999
0	281,454	0	0	0	0
62,056	0	0	0	0	0
55,451	18,710	65,300	15,237	0	0
275,000	10,000,000	505,000	465,000	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	280,000	135,000
0	0	0	0	135,000	403,000
107,924	42,119	0	0	171,713	0
1,248,277	3,057,305	4,077,630	4,127,372	4,839,170	10,563,476
(1,170,495)	(3,068,919)	(4,085,811)	(4,138,584)	(4,839,170)	(10,563,476)
578,213	10,330,669	562,119	469,025	586,713	538,000
(487,215)	0	0	0	0	0
(\$750,187)	\$8,279,133	(\$6,903,739)	\$5,623	(\$438,582)	\$1,216,999
2.1%	5.9%	6.6%	5.8%	9.2%	9.0%

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

Collection Year	Real Property		Tangible Personal Property			
	Assessed Value	Estimated Actual Value	Public Utility		General Business	
			Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
2000	\$364,416,320	\$1,041,189,486	\$22,830,620	\$25,943,886	\$28,685,873	\$114,743,492
2001	377,777,510	1,079,364,314	19,736,500	22,427,841	34,479,275	137,917,100
2002	389,154,750	1,111,870,714	15,055,150	17,108,125	29,381,672	117,526,688
2003	450,998,070	1,288,565,914	15,803,490	17,958,511	29,402,399	117,609,596
2004	457,846,720	1,308,133,486	15,059,190	17,112,716	28,546,698	114,186,792
2005	465,630,690	1,330,373,400	14,726,390	16,734,534	28,562,585	114,250,340
2006	502,077,420	1,434,506,914	13,420,850	15,250,966	27,961,223	149,126,523
2007	506,398,990	1,446,854,257	12,989,310	14,760,580	19,626,089	157,008,712
2008	513,328,920	1,466,654,057	11,790,182	13,397,934	15,057,095	24,091,352
2009	552,208,370	1,577,738,200	10,790,570	12,262,011	7,381,048	11,809,677

Source: Greene County Auditor

Real property is reappraised every six years with a State mandated update of the current market value in the third year following each reappraisal.

The assessed value of real property (including public utility real property) is 35 percent of estimated true value. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property. General business tangible personal property was assessed at 18.75 percent for 2006, 12.5 percent for 2007, 6.25 percent for 2008, and zero for 2009. Beginning in 2007, House Bill 66 switched telephone companies from being public utilities to general business taxpayers and began a four year phase out of the tangible personal property tax on local and inter-exchange telephone companies. No tangible personal property taxes were levied or collected in 2009 from general business taxpayers except telephone companies whose last year to pay tangible personal property tax is 2010. The percentages for telecommunications are 10.0 percent for 2009, 5.0 percent for 2010 and zero for 2011.

The tangible personal property values associated with each year are the values that, when multiplied by the applicable rates, generated the property tax revenue billed 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 rollback, 2 1/2 percent rollback, and homestead exemption before being billed. Beginning in the 2006 collection year, the 10 percent rollback for commercial/industrial property was eliminated.

Assessed Value	Total		Weighted Average Tax Rate (per \$1,000 of assessed value)
	Estimated Actual Value	Ratio	
\$415,932,813	\$1,181,876,864	35.19%	\$10.38
431,993,285	1,239,709,255	34.85	10.26
433,591,572	1,246,505,527	34.78	9.48
496,203,959	1,424,134,022	34.84	9.29
501,452,608	1,439,432,994	34.84	10.57
508,919,665	1,461,358,274	34.83	9.27
543,459,493	1,598,884,403	33.99	8.95
539,014,389	1,618,623,549	33.30	8.89
540,176,197	1,504,143,343	35.91	8.85
570,379,988	1,601,809,888	35.61	8.78

City of Fairborn, Ohio
Property Tax Rates - Direct and Overlapping Governments
(Per \$1,000 of Assessed Valuation)
Last Ten Years
Schedule 6

	2000	2001	2002	2003	2004
Unvoted Millage					
Operating	\$2.50000	\$2.50000	\$2.50000	\$2.50000	\$2.50000
Voted Millage - by levy					
1976 Current Expense					
Residential/Agricultural Real	1.5297	1.5270	1.3522	1.3411	1.3360
Commercial/Industrial and Public Utility Real	2.1656	2.1941	1.8985	1.9509	1.9694
General Business and Public Utility Personal	4.8000	4.8000	4.8000	4.8000	4.8000
1976 Street Light					
Residential/Agricultural Real	0.2868	0.2863	0.2535	0.2515	0.2505
Commercial/Industrial and Public Utility Real	0.4061	0.4114	0.3560	0.3658	0.3693
General Business and Public Utility Personal	0.9000	0.9000	0.9000	0.9000	0.9000
1976 Bond Levy (\$930,000)					
Residential/Agricultural Real	0.1100	0.0000	0.0000	0.0000	0.0000
Commercial/Industrial and Public Utility Real	0.1100	0.0000	0.0000	0.0000	0.0000
General Business and Public Utility Personal	0.1100	0.0000	0.0000	0.0000	0.0000
1982 Emergency Medical Service					
Residential/Agricultural Real	0.5087	0.5078	0.4497	0.4460	0.4443
Commercial/Industrial and Public Utility Real	0.6318	0.6401	0.5538	0.5692	0.5745
General Business and Public Utility Personal	1.0000	1.0000	1.0000	1.0000	1.0000
1990 Bond Levy (\$1,750,000)					
Residential/Agricultural Real	0.4200	0.4000	0.2000	0.3000	0.3000
Commercial/Industrial and Public Utility Real	0.4200	0.4000	0.2000	0.3000	0.3000
General Business and Public Utility Personal	0.4200	0.4000	0.2000	0.3000	0.3000
<i>Total Voted Millage by Type of Property</i>					
Residential/Agricultural Real	2.85520	2.72110	2.25540	2.33860	2.33080
Commercial/Industrial and Public Utility Real	3.73350	3.64560	3.00830	3.18590	3.21320
General Business and Public Utility Personal	7.23000	7.10000	6.90000	7.00000	7.00000
<i>Total Millage by Type of Property</i>					
Residential/Agricultural Real	5.35520	5.22110	4.75540	4.83860	4.83080
Commercial/Industrial and Public Utility Real	6.23350	6.14560	5.50830	5.68590	5.71320
General Business and Public Utility Personal	9.73000	9.60000	9.40000	9.50000	9.50000

2005	2006	2007	2008	2009
\$2.50000	\$2.50000	\$2.50000	\$2.50000	\$2.50000
1.2619	1.2566	1.2535	1.1784	1.1787
1.8990	1.9108	1.9210	1.7922	1.8323
4.8000	4.8000	4.8000	4.8000	4.8000
0.2366	0.2356	0.2350	0.2209	0.2210
0.3561	0.3583	0.3602	0.3360	0.3436
0.9000	0.9000	0.9000	0.9000	0.9000
0.0000	0.0000	0.0000	0.0000	0.0000
0.0000	0.0000	0.0000	0.0000	0.0000
0.0000	0.0000	0.0000	0.0000	0.0000
0.4196	0.4179	0.4169	0.3919	0.3920
0.5540	0.5575	0.5604	0.5229	0.5345
1.0000	1.0000	1.0000	1.0000	1.0000
0.3000	0.3000	0.2800	0.3000	0.3000
0.3000	0.3000	0.2800	0.3000	0.3000
0.3000	0.3000	0.2800	0.3000	0.3000
2.21810	2.21010	2.18540	2.09120	2.09170
3.10910	3.12660	3.12160	2.95110	3.01040
7.00000	7.00000	6.98000	7.00000	7.00000
4.71810	4.71010	4.68540	4.59120	4.59170
5.60910	5.62660	5.62160	5.45110	5.51040
9.50000	9.50000	9.48000	9.50000	9.50000

(continued)

City of Fairborn, Ohio
Property Tax Rates - Direct and Overlapping Governments (continued)
(Per \$1,000 of Assessed Valuation)
Last Ten Years
Schedule 6

Overlapping Rates by Taxing District

	2000	2001	2002	2003	2004
Fairborn City School District					
Residential/Agricultural Real	\$22.8401	\$22.9000	\$22.9000	\$22.6000	\$22.6000
Commercial/Industrial and Public Utility Real	26.6968	26.9583	24.3519	24.5718	24.7422
General Business and Public Utility Personal	44.6400	44.7000	44.7000	44.4000	44.4000
Greene County Joint Vocational School District					
Residential/Agricultural Real	2.7086	2.7049	2.6172	2.6154	2.6133
Commercial/Industrial and Public Utility Real	2.7322	2.7349	2.6638	2.7062	2.7076
General Business and Public Utility Personal	3.4500	3.4500	3.4500	3.4500	3.4500
General Health District					
Residential/Agricultural Real	0.2839	0.2826	0.4373	0.4360	0.4346
Commercial/Industrial and Public Utility Real	0.2928	0.2932	0.4528	0.4601	0.4604
General Business and Public Utility Personal	0.3000	0.3000	0.5000	0.5000	0.5000
Greene County					
Residential/Agricultural Real	8.9349	8.9066	8.1034	7.9194	10.3606
Commercial/Industrial and Public Utility Real	9.3230	9.3304	8.6860	8.5882	10.6373
General Business and Public Utility Personal	10.3300	10.3300	10.3300	10.0700	11.3000

Source: Greene County Auditor

Note: The rates presented for a particular calendar year are the rates that, when applied to the assessed values presented in the Assessed Value Table, generated the property tax revenue billed in that year.

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

Real property tax rates are reduced so that inflationary increases in value do not generate additional taxes. Real property is reappraised every six years and property values are updated in the third year of each reappraisal.

Overlapping rates are those of local and county governments that apply to property owners within the City.

2005	2006	2007	2008	2009
\$22.4000	\$22.4001	\$30.7001	\$30.1000	\$30.0066
23.8984	24.0142	32.4080	31.0102	31.2887
44.2000	44.2000	52.5000	51.9000	51.8000
2.5752	2.5720	2.5692	2.5269	2.5285
2.6528	2.6661	2.6501	2.6030	2.6776
3.4500	3.4500	3.4500	3.4500	3.4500
0.4079	0.4971	0.4948	0.4570	0.4573
0.4455	0.5000	0.4954	0.4598	0.4731
0.5000	0.5000	0.5000	0.5000	0.5000
10.8837	10.6950	10.6547	10.0302	10.9944
11.3795	11.1652	11.0849	10.4644	11.5388
12.3000	11.5500	11.5500	11.5500	12.2500

City of Fairborn, Ohio
Principal Property Tax Payers
 2009 and 2005 (1)
 Schedule 7

Taxpayer	2009	
	Assessed Value	Percentage of Total Assessed Value
Dayton Power and Light Company	\$8,629,910	1.51%
Charter Woods, LLC	6,547,140	1.15%
Wright Executive Hotel	5,743,050	1.01%
MG-Mapleview LTD	4,221,630	0.74%
2377 Commerce Center Blvd.	3,617,500	0.63%
Miami Valley Publishing Co., Inc.	3,290,870	0.58%
Campus Village Wright State LLC	3,265,050	0.57%
NATDayton LLC	3,254,990	0.57%
Shoppes at V G LTD	2,987,100	0.52%
Highlands Apartments Phase I L	2,967,300	0.52%
Total Principal Property Tax Payers	44,524,540	7.80%
Total All Others	525,855,448	92.20%
Total Assessed Value	\$570,379,988	100.00%

Taxpayer	2005 (1)	
	Assessed Value	Percentage of Total Assessed Value
Dayton Power and Light Company	\$7,395,220	1.45%
Charter Woods, LLC	6,155,900	1.21%
MG-Mapleview LTD	4,838,520	0.95%
2377 Commerce Center Blvd.	3,956,090	0.78%
Ohio Bell Telephone	3,872,460	0.76%
Trebein Limited ADK III	3,519,900	0.69%
Highland Apartments	3,134,650	0.62%
Property Associates LLC	3,098,380	0.61%
Miami Valley Publishing Co. Inc.	3,045,800	0.60%
Ali Industries	2,996,550	0.59%
Total Principal Property Tax Payers	42,013,470	8.26%
Total All Others	466,906,195	91.74%
Total Assessed Value	\$508,919,665	100.00%

Source: County Auditor

(1) Information prior to 2005 is unavailable.

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

Collection Year	Total Tax Levied (1)	Current Tax Collection (1)	Percent of Current Levy Collected	Delinquent Tax Collection (2) (3)	Total Tax Collections	Percent of Total Collections To Total Levy
2000	\$2,644,251	\$2,443,725	92.42%	\$0	\$2,443,725	92.42%
2001	2,378,075	2,283,316	96.02%	0	2,283,316	96.02%
2002	2,312,652	2,236,001	96.69%	0	2,236,001	96.69%
2003	2,391,232	2,295,337	95.99%	0	2,295,337	95.99%
2004	2,525,070	2,436,033	96.47%	0	2,436,033	96.47%
2005	2,577,182	2,390,628	92.76%	0	2,390,628	92.76%
2006	2,681,552	2,589,155	96.55%	0	2,589,155	96.55%
2007	2,964,283	2,628,788	88.68%	0	2,628,788	88.68%
2008	2,868,759	2,554,887	89.06%	86,433	2,641,320	92.07%
2009	2,717,660	2,579,953	94.93%	113,788	2,693,741	99.12%

Source: County Auditor

- (1) Current taxes levied and current tax collections do not include rollback and homestead amounts.
- (2) Delinquent tax collections include amounts collected from penalties, interest, and other delinquent collections. The County does not identify delinquent collections by the year for which the tax was levied.
- (3) Prior to 2008 the County Auditor did not split tax collections between current and delinquent.

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

Calendar Year	Individual		Total Individual	Corporate (1)	Partnership (2)	Total	Income Tax Rate
	Withholding	Non-Withholding					
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%
2008	8,597,465	1,438,186	10,035,651	799,493	0	10,835,144	1.50%
2009	9,097,190	1,344,367	10,441,557	493,240	0	10,934,797	1.50%

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

(2) Information not available.

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



City of Fairborn, Ohio
Ratios of Outstanding Debt by Type
Last Ten Years
Schedule 10

Calendar Year	Governmental Activities					
	General Obligation Bonds	Special Assessment Bonds	General Obligation Notes	Special Assessment Notes	Income Tax Revenue Bonds	Capital Leases
2000	\$2,138,000	\$2,086,000	\$700,000	\$67,456	\$0	\$0
2001	2,000,000	1,890,000	700,000	47,273	0	0
2002	1,770,000	1,694,000	1,220,000	85,833	0	0
2003	1,983,000	1,806,000	470,000	56,663	0	0
2004	1,995,000	1,598,000	185,000	83,511	0	935,160
2005	1,700,000	1,390,000	2,110,000	59,811	9,350,000	852,285
2006	1,400,000	1,760,000	4,750,000	36,111	8,470,000	720,737
2007	1,080,000	2,000,000	2,470,000	12,412	7,570,000	627,014
2008	890,000	1,960,000	2,365,000	260,000	6,650,000	804,147
2009	695,000	1,789,000	3,292,762	501,000	5,830,729	669,186

N/A - Information not available.

Notes: Details regarding the City's outstanding debt can be found in the notes to the basic financial statements. Population and Personal Income data are presented on Schedule 18.

Business-Type Activities

General Obligation Bonds	Special Assessment Bonds	OWDA Loan	OPWC Loan	General Obligation Notes	Capital Leases	Total Primary Government	Percentage of Personal Income	Per Capita
\$3,695,000	\$0	\$4,141,982	\$250,282	\$3,200,000	\$0	\$16,278,720	0.38%	\$508
5,485,000	0	3,874,250	233,596	990,000	0	15,220,119	0.35%	475
5,030,000	0	3,662,632	216,911	3,690,000	0	17,369,376	0.38%	542
5,515,000	0	3,365,076	200,225	3,100,000	0	16,495,964	0.35%	515
8,050,000	0	3,058,962	183,540	1,630,000	75,783	17,794,956	0.37%	555
7,340,000	0	2,735,900	166,855	4,700,000	58,082	30,462,933	0.62%	950
6,590,000	0	2,394,852	150,170	3,900,000	39,576	30,211,446	0.58%	943
5,805,000	150,000	2,034,697	133,485	6,600,000	20,228	28,502,836	0.53%	889
4,850,000	140,000	1,654,244	116,800	10,880,000	5,239	30,575,430	5.49%	856
4,021,044	130,000	1,252,220	108,458	10,635,000	4,767	28,929,166	N/A	N/A

City of Fairborn, Ohio
*Ratio of General Obligation Bonded Debt to
 Estimated Actual Value and General Obligation Bonded Debt Per Capita
 Last Ten Years
 Schedule 11*

Year	General Bonded Debt	Estimated Actual Value (1)	Population (2)	Ratio of Debt to Estimated Actual Value	Debt Per Capita
2000	\$2,138,000	\$1,181,876,864	32,054	0.18%	\$66.70
2001	2,000,000	1,239,709,255	32,054	0.16%	62.39
2002	1,770,000	1,246,505,527	32,054	0.14%	55.22
2003	1,983,000	1,424,134,022	32,054	0.14%	61.86
2004	1,995,000	1,439,432,994	32,054	0.14%	62.24
2005	1,700,000	1,461,358,274	32,054	0.12%	53.04
2006	1,400,000	1,598,884,403	32,054	0.09%	43.68
2007	1,080,000	1,618,623,549	32,054	0.07%	33.69
2008	890,000	1,504,143,343	32,054	0.06%	27.77
2009	695,000	1,601,809,888	32,054	0.04%	21.68

Source: (1) Greene County Auditor
 (2) Population estimates provided by U.S. Census Bureau (2000 Census).

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, Ohio
Direct and Overlapping Governmental Activities Debt
 December 31, 2009
 Schedule 12

Jurisdiction	Debt Outstanding	Percentage Applicable to the City of Fairborn (1)	Amount Applicable to the City of Fairborn
Direct Debt:			
City of Fairborn			
Notes Payable	\$3,793,762	100.00%	\$3,793,762
General Obligation Bonds	695,000	100.00%	695,000
Income Tax Revenue Bonds	5,830,729	100.00%	5,830,729
Special Assessment Bonds	1,789,000	100.00%	1,789,000
Capital Lease Obligations	669,186	100.00%	669,186
	<u>12,777,677</u>		<u>12,777,677</u>
Total Direct Debt			
	<u>12,777,677</u>		<u>12,777,677</u>
Overlapping Debt:			
Greene County	41,077,639	14.57%	5,985,012
Beavercreek Township	235,000	3.62%	8,507
Greene County Vocational School District (2)	221,440	14.32%	31,710
Beavercreek City School District (2)	199,277,000	3.57%	7,114,189
Fairborn City School District (2)	18,277,253	78.29%	14,309,261
	<u>259,088,332</u>		<u>27,448,679</u>
Total Overlapping Debt			
	<u>259,088,332</u>		<u>27,448,679</u>
Grand Total	<u>\$271,866,009</u>		<u>\$40,226,356</u>

Source: Greene County Auditor

(1) Percentages were determined by dividing each overlapping subdivision's assessed valuation within the City by its total assessed valuation.

(2) The debt outstanding is as of June 30, 2009.

Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by residents and businesses should be taken into account.

City of Fairborn, Ohio
Legal Debt Margin Information
Last Ten Years
Schedule 13

	2000	2001	2002	2003
Total Assessed Valuation	\$415,932,813	\$431,993,285	\$433,591,572	\$496,203,959
Overall debt limitation - 10.5% of assessed valuation	43,672,945	45,359,295	45,527,115	52,101,416
Debt Outstanding				
General Obligation Bonds	5,833,000	5,487,000	6,800,000	7,803,000
Income Tax Revenue Bonds	0	0	0	0
Special Assessment Bonds	2,086,000	1,937,273	1,779,833	1,557,663
Loans Payable	4,392,264	4,107,846	3,879,543	3,565,301
Bond Anticipation Notes	3,900,000	1,690,000	4,610,000	3,570,000
Total Gross Indebtedness	16,211,264	13,222,119	17,069,376	16,495,964
Less Exempt Debt				
General Obligation Bonds	3,695,000	3,487,000	5,030,000	5,515,000
Income Tax Revenue Bonds	0	0	0	0
Special Assessment Bonds	2,086,000	1,937,273	1,779,833	1,557,663
Loans Payable	4,392,264	4,107,846	3,879,543	3,565,301
Bond Anticipation Notes	3,900,000	1,690,000	4,610,000	3,570,000
Total Exempt Debt	14,073,264	11,222,119	15,299,376	14,207,964
Net Debt Subject to Limitation	2,138,000	2,000,000	1,770,000	2,288,000
Less amount available in the Debt Service Fund	679,335	859,706	629,634	549,673
Total Net Debt Subject to Limitation	1,458,665	1,140,294	1,140,366	1,738,327
Legal debt margin within 10.5% limitation	\$42,214,280	\$44,219,001	\$44,386,749	\$50,363,089
Legal Debt Margin as a Percentage of the Debt Limit	96.7%	97.5%	97.5%	96.7%
Unvoted debt limitation 5.5% of assessed valuation	\$22,876,305	\$23,759,631	\$23,847,536	\$27,291,218
Debt Outstanding	16,211,264	13,222,119	17,069,376	16,495,964
Less Exempt Debt				
General Obligation Bonds	3,695,000	3,487,000	5,030,000	5,515,000
Income Tax Revenue Bonds	0	0	0	0
Special Assessment Bonds	2,086,000	1,937,273	1,779,833	1,557,663
Loans Payable	4,392,264	4,107,846	3,879,543	3,565,301
Bond Anticipation Notes	3,900,000	1,690,000	4,610,000	3,570,000
Total Exempt Debt	14,073,264	11,222,119	15,299,376	14,207,964
Net Debt Subject to Limitation	2,138,000	2,000,000	1,770,000	2,288,000
Less amount available in the Debt Service Fund	679,335	859,706	629,634	549,673
Total Net Debt Subject to Limitation	1,458,665	1,140,294	1,140,366	1,738,327
Legal debt margin within 5.5% limitation	\$21,417,640	\$22,619,337	\$22,707,170	\$25,552,891
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limitation	93.6%	95.2%	95.2%	93.6%

Ohio Bond Law sets a limit of 10.5 percent for voted debt and 5.5 percent for unvoted debt.

2004	2005	2006	2007	2008	2009
\$501,452,608	\$508,919,665	\$543,459,493	\$539,014,389	\$540,176,197	\$570,379,988
52,652,524	53,436,565	57,063,247	56,596,511	56,718,501	59,889,899
10,340,000	9,325,000	8,265,000	6,735,000	5,740,000	4,725,000
0	9,350,000	8,470,000	7,570,000	6,650,000	5,690,000
1,386,511	1,164,811	1,386,111	2,162,412	2,100,000	1,919,000
3,242,502	2,902,756	2,545,022	2,168,182	1,771,044	1,360,678
1,815,000	6,810,000	8,650,000	9,070,000	13,505,000	14,428,762
16,784,013	29,552,567	29,316,133	27,705,594	29,766,044	28,123,440
8,050,000	7,340,000	6,590,000	5,655,000	4,850,000	4,030,000
0	9,350,000	8,470,000	7,570,000	6,650,000	5,690,000
1,386,511	1,164,811	1,386,111	2,162,412	2,100,000	1,919,000
3,242,502	2,902,756	2,545,022	2,168,182	1,771,044	1,360,678
1,815,000	6,810,000	8,650,000	9,070,000	13,505,000	14,428,762
14,494,013	27,567,567	27,641,133	26,625,594	28,876,044	27,428,440
2,290,000	1,985,000	1,675,000	1,080,000	890,000	695,000
572,652	642,319	623,570	369,454	346,215	325,721
1,717,348	1,342,681	1,051,430	710,546	543,785	369,279
\$50,935,176	\$52,093,884	\$56,011,817	\$55,885,965	\$56,174,716	\$59,520,620
96.7%	97.5%	98.2%	98.7%	99.0%	99.4%
\$27,579,893	\$27,990,582	\$29,890,272	\$29,645,791	\$29,709,691	\$31,370,899
16,784,013	29,552,567	29,316,133	27,705,594	29,766,044	28,123,440
8,050,000	7,340,000	6,590,000	5,655,000	4,850,000	4,030,000
0	9,350,000	8,470,000	7,570,000	6,650,000	5,690,000
1,386,511	1,164,811	1,386,111	2,162,412	2,100,000	1,919,000
3,242,502	2,902,756	2,545,022	2,168,182	1,771,044	1,360,678
1,815,000	6,810,000	8,650,000	9,070,000	13,505,000	14,428,762
14,494,013	27,567,567	27,641,133	26,625,594	28,876,044	27,428,440
2,290,000	1,985,000	1,675,000	1,080,000	890,000	695,000
572,652	642,319	623,570	369,454	346,215	325,721
1,717,348	1,342,681	1,051,430	710,546	543,785	369,279
\$25,862,545	\$26,647,901	\$28,838,842	\$28,935,245	\$29,165,906	\$31,001,620
93.8%	95.2%	96.5%	97.6%	98.2%	98.8%

City of Fairborn, Ohio
Pledged Revenue Coverage
Special Assessment Bonds - Governmental
Last Ten Years
Schedule 14

Calendar Year	Special Assessment Collections (1)	Debt Service		Coverage
		Principal	Interest	
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
2008	449,334	332,412	99,524	1.04
2009	378,758	306,000	93,814	0.95

Source: County Auditor

(1) City's tax settlement sheets.

City of Fairborn, Ohio
Pledged Revenue Coverage
Special Assessment Bonds - Sewer Fund
December 31, 2009
Schedule 15

Calendar Year (1)	Special Assessment Collections (2)	Debt Service		Coverage
		Principal	Interest	
2008	\$16,100	\$10,000	\$6,100	1.00
2009	15,840	10,000	5,840	1.00

Source: County Auditor

- (1) Information prior to 2008 is unavailable.
- (2) City's tax settlement sheets.

City of Fairborn, Ohio
Pledged Revenue Coverage
OPWC Loan - Water Fund
Last Ten Years
Schedule 16

Calendar Year	Gross Revenues	Less: Operating Expenses (1)	Net Available Revenue	Debt Service Requirements	Coverage
2000	\$2,229,599	\$1,682,799	\$546,800	\$16,685	32.77
2001	2,375,713	1,369,172	1,006,541	16,686	60.32
2002	2,570,909	1,726,293	844,616	16,685	50.62
2003	2,596,541	1,611,535	985,006	16,686	59.03
2004	2,808,946	1,614,602	1,194,344	16,685	71.58
2005	2,773,541	2,213,913	559,628	16,685	33.54
2006	2,829,053	2,132,888	696,165	16,685	41.72
2007	3,049,605	2,328,430	721,175	16,685	43.22
2008	3,438,472	2,318,426	1,120,046	16,685	67.13
2009	3,553,451	2,527,093	1,026,358	8,342	123.04

(1) Direct operating expenses do not include depreciation expense.

City of Fairborn, Ohio
Pledged Revenue Coverage
OWDA Loans - Sewer Fund
Last Ten Years
Schedule 17

Calendar Year	Gross Revenues	Less: Operating Expenses(1)	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2000	\$3,590,405	\$2,228,634	\$1,361,771	\$254,441	\$248,478	2.71
2001	3,687,109	1,869,734	1,817,375	267,732	237,942	3.59
2002	3,970,838	2,414,112	1,556,726	211,618	219,341	3.61
2003	3,985,235	2,093,522	1,891,713	288,873	247,325	3.53
2004	4,389,254	1,836,790	2,552,464	306,114	186,647	5.18
2005	4,540,138	3,067,957	1,472,181	323,062	168,817	2.99
2006	4,867,233	3,142,634	1,724,599	341,049	149,909	3.51
2007	4,945,690	3,189,204	1,756,486	360,155	122,578	3.64
2008	5,480,155	3,432,202	2,047,953	380,453	102,279	4.24
2009	5,586,017	3,127,248	2,458,769	402,024	80,706	5.09

(1) Direct operating expenses do not include depreciation expense.

City of Fairborn, Ohio
Demographic and Economic Statistics
Last Ten Years
Schedule 18

Calendar Year	Population (1)	Personal Income (Thousands of Dollars) (2)	Per Capita Personal Income (3)	Unemployment Rate (4)
2000	32,054	\$4,272,286	\$28,832	3.7%
2001	32,054	4,352,395	29,107	5.2%
2002	32,054	4,519,917	29,845	5.7%
2003	32,054	4,693,132	30,638	5.4%
2004	32,054	4,788,234	30,810	5.7%
2005	32,054	4,925,113	31,545	5.4%
2006	32,054	5,206,513	33,044	5.4%
2007	32,054	5,390,237	33,988	6.2%
2008	32,054	5,692,242	35,720	7.5%
2009	32,054	N/A	N/A	10.7%

- Sources:
- (1) Population estimates provided by U.S. Census Bureau (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, Ohio
Principal Employers
 2009 and 2005 (1)
 Schedule 19

2009 (3)	
Employer	Number of Employees
Wright State University	5,969
Teleperformance USA Inc.	1,140
Fairborn City Schools	905
Wright-Patt Credit Union (2)	254
City of Fairborn	253
Ball Aerospace	199
Morris Home Furniture Co.	178
I Supply	175
Ali Industries	156
MVPC Acquisitions LLC	144
Total Employees	9,373

2005 (1)	
Employer	Number of Employees
Wright Patterson AFB	22,000
Wright State University	2,200
Fairborn City Schools	550
Teleperformance USA	400
Logtec (2)	300
Ball Aerospace	260
Wright-Patt Credit Union (2)	260
City of Fairborn	260
Computer Sciences Corp.	250
Northrop Grumman	240
Total Employees	26,720

Source: Community Development Division

- (1) Information prior to 2005 is unavailable
- (2) Denotes corporate headquarters
- (3) Wright Patterson AFB normally is the highest employer. This information was unavailable for 2009.

Total employment within the City for either year is not available.

City of Fairborn, Ohio
Full-Time Equivalent City Government Employees by Function/Program
Last Ten Years
Schedule 20

Function/Program	2000	2001	2002	2003	2004	2005
General Government						
City Council	0.5	0.5	0.5	0.5	0.5	4.0
Municipal Court	26.0	28.8	26.8	26.8	25.1	24.0
City Administration	4.8	4.9	4.8	4.8	4.8	3.5
Finance	16.3	16.5	14.5	14.5	14.5	15.0
Legal	1.5	1.7	2.0	1.8	1.8	2.0
Personnel	2.0	2.0	2.0	2.0	1.6	1.0
Engineering	4.0	4.0	4.0	4.0	4.0	4.0
Public Works Director	1.0	1.0	1.0	1.0	0.0	0.0
Audio Visual	1.0	1.0	1.0	1.0	1.0	0.0
Plant Maintenance	12.0	12.0	12.0	11.4	12.0	12.0
Victim Witness	2.0	2.0	2.0	2.0	2.0	2.0
Public Safety (1)						
Police						
Sworn Officers	64.9	65.1	64.6	66.2	60.7	51.0
Non-Sworn	0.0	0.0	0.0	0.0	0.0	16.0
Fire	48.7	51.0	54.0	53.0	51.0	50.5
Community Environment						
Building Inspection	4.7	5.0	5.7	5.0	5.0	5.0
City Planner	3.0	3.1	3.0	3.1	3.0	3.0
Neighborhood Betterment	3.2	3.6	3.6	2.0	2.0	4.0
Leisure Time Activities						
Parks and Recreation	1.5	1.5	1.5	1.5	1.5	1.5
Transportation and Street Repair						
Street	11.3	11.3	11.3	10.3	9.8	10.0
State Highway	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	1.5
Basic Utility Service						
Water	16.3	16.3	16.3	16.3	17.3	17.5
Sewer	22.3	22.3	22.5	22.5	22.5	21.5
Sanitation	2.0	2.0	2.0	2.0	2.0	1.0
Internal Service						
ITS	0.0	0.0	0.0	0.0	0.0	2.0
Equipment Services	9.5	9.7	9.7	8.7	8.0	7.0
Total	<u>261.3</u>	<u>268.1</u>	<u>267.6</u>	<u>263.2</u>	<u>253.0</u>	<u>260.0</u>

Source: Various City Departments

(1) Information obtained from department annual reports.

2006	2007	2008	2009
4.0	0.9	1.4	1.4
24.0	28.9	29.5	25.4
3.5	3.8	3.0	4.0
14.0	15.3	12.8	15.4
2.0	2.0	2.0	2.0
1.0	1.0	1.0	1.0
5.5	6.1	6.1	6.4
0.0	0.0	0.0	0.0
0.0	0.0	0.0	0.0
12.0	9.6	8.8	8.7
2.0	1.9	1.8	1.8
47.5	43.0	43.0	42.0
16.0	18.6	18.9	18.9
51.0	52.0	51.7	51.5
5.0	4.9	4.9	5.0
3.0	2.3	2.8	2.5
3.5	3.6	2.9	3.0
1.5	1.3	1.5	1.6
10.0	10.0	9.4	10.0
1.0	1.0	1.0	1.0
1.5	1.5	1.5	1.5
17.0	17.4	16.6	16.6
23.0	21.7	22.5	22.0
1.0	1.1	1.1	1.0
2.0	3.0	3.0	2.8
7.0	7.1	7.1	7.1
<u>258.0</u>	<u>257.5</u>	<u>254.3</u>	<u>252.6</u>

City of Fairborn, Ohio
Operating Indicators by Function/Program
Last Ten Years
Schedule 21

Function/Program	2000	2001	2002	2003
General government				
Municipal Court				
Criminal and Traffic Cases	20,951	18,026	19,247	16,163
Criminal and Traffic Trials	89	149	108	130
Criminal and Traffic Receipts (in 000's)	\$2,602	\$2,357	\$2,818	\$2,571
Civil/Small Claims Cases	1,613	1,464	1,543	2,156
Civil/Samll Claims Trials	817	752	721	1,013
Civil/Small Claims Receipts (in 000's)	\$327	\$388	\$454	\$541
Security of Persons and Property				
Police				
Calls for Service (1)	23,835	23,449	24,012	23,124
Parking Violations	1,271	1,675	1,299	1,132
Traffic Violations	4,912	4,030	4,227	4,085
Criminal Citations	2,831	2,954	2,616	2,798
Training Hours	5,136	5,497	5,149	4,507
Fire				
Emergency Responses	6,303	5,010	5,204	5,478
Inspections	1,341	1,590	1,590	1,503
Training Hours	N/A	N/A	N/A	5,425
Community Environment				
Planning and Development				
Residential Construction Permits Issued	1,164 (2)	1,145	1,500	1,442
Estimated Value of Residential				
Construction	\$11,662,324 (2)	\$12,677,065	\$18,200,034	\$18,296,213
Commercial Construction				
Permits Issued	530 (2)	536	398	393
Estimated value of commercial				
Construction	\$30,002,623 (2)	\$16,754,423	\$6,978,147	\$15,197,647
Parks and Recreation				
Softball Registrations	N/A	N/A	68	70
Weekend Softball Tournaments	N/A	N/A	50	54
Water				
New Connections	103	92	158	145
Water Main Breaks	39	24	22	38
Average Daily Consumption				
(millions of gallons)	3.923	3.600	3.600	4.300
Peak Daily Consumption				
(millions of gallons)	N/A	N/A	N/A	N/A
Total Water Treated				
(millions of gallons)	1,209	1,249	1,481	1,559
Average Daily Treatment				
(millions of gallons)	3.3	4.0	4.0	4.2
Hydrants Flushed	1,337	1,361	1,386	1,411
Sewer				
Total Water Treated				
(millions of gallons)	1,384	1,481	1,493	1,537
Average Daily Treatment				
(millions of gallons)	3.8	4.1	4.1	4.2

Source: Various City Departments

- (1) In 2005, the police department changed the method of counting total calls for service to the same method of other area departments.
- (2) 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 1999.

2004	2005	2006	2007	2008	2009
13,666	16,072	19,043	19,634	18,369	15,728
97	79	96	106	83	67
\$2,439	\$2,624	\$2,983	\$3,034	\$3,245	\$3,035
1,810	1,983	2,072	2,146	2,410	2,022
851	835	897	587	1,190	1,054
\$610	\$578	\$581	\$729	\$900	\$809
23,413	32,778	37,252	34,981	37,250	35,482
995	1,141	932	852	689	979
2,509	2,515	5,400	6,218	5,986	4,820
3,018	2,817	3,478	3,506	3,740	3,183
4,091	3,441	4,691	4,008	2,739	3,741
5,495	5,736	5,872	6,000	6,214	6,095
1,121	1,141	1,157	1,177	1,200	1,100
7,730	12,518	6,980	5,924	5,400	4,487
1,383	1,195	1,040	1,044	806	1,048
\$17,011,265	\$14,832,301	\$11,939,843	\$17,515,016	\$10,092,588	\$30,159,074
352	474	361	359	380	290
\$15,651,854	\$17,083,481	\$23,925,526	\$17,655,180	\$25,416,559	\$6,188,505
90	95	72	86	100	93
50	57	46	40	57	64
145	102	91	83	68	70
37	37	22	42	42	33
3,760	3,792	3,594	3,414	3,300	3,300
N/A	N/A	4,730	4,690	4,730	4,240
1,375	1,384	1,320	1,260	1,202	1,212
3.8	3.8	3.6	3.4	3.3	3.3
1,448	1,457	1,460	1,423	1,423	1,463
1,448	1,555	1,581	1,636	1,669	1,530
4.0	4.3	4.3	4.5	4.6	4.2

City of Fairborn, Ohio
Capital Assets Statistics by Function/Program
Last Ten Years
Schedule 22

Function/Program	2000	2001	2002	2003
Police				
Stations	1	1	1	1
Patrol units	27	31	31	31
Fire Stations	3	3	3	3
Public Works				
Area of City (square miles)	13.40	13.40	13.40	13.40
Streets (lane miles)	123.01	124.46	124.46	127.21
Streetlights	1,900	1,900	1,900	1,900
Parks and Recreation				
Number of Parks	15	15	16	17
Acreage	363.78	363.78	431.88	622.09
Playgrounds	16	16	16	16
Baseball/softball diamonds	17	17	17	17
Soccer/football fields	12	12	12	12
Number of Tennis Courts	14	14	14	14
Municipal Water Department				
Daily Treatment Capacity (millions of gallons)	N/A	4.60	4.60	4.60
Water Mains (miles)	140.02	142.00	142.00	144.34
Fire hydrants	1,337	1,361	1,386	1,411
Sewers				
Daily Treatment Capacity (millions of gallons)	5.50	5.50	5.50	6.00 (1)
Storm Sewers (miles)	100.51	102.29	102.29	105.58
Sanitary Sewers (miles)	127.46	129.13	129.13	131.76

Source: Various City Departments

(1) Information was corrected from prior years.

2004	2005	2006	2007	2008	2009
1	1	1	1	1	1
33	31	31	30	30	30
3	3	3	4	4	4
13.41	13.41	13.41	13.41	13.41	13.40
288.81	288.81	293.10	294.20	294.94	294.94
1,995	1,995	2,342	2,495	2,512	2,512
18	19	19	19	19	20
622.31	651.51	686.61	686.57	686.57	714.30
18	18	18	17	17	18
17	15	15	15	15	15
12	12	12	12	12	12
14	14	14	14	14	14
5.00	5.00	5.00	5.40	5.40	5.40
145.95	147.69	148.56	149.37	149.78	149.78
1,448	1,457	1,460	1,457	1,470	1,477
6.00 (1)	6.00 (1)	6.00	6.00	6.00	6.00
109.09	109.71	110.66	111.57	112.32	112.32
133.84	135.24	135.78	136.50	136.20	136.50



City of Fairborn
Finance Department
44 West Hebble Avenue
Fairborn OH 45324
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 3, 2010