



Mary Taylor, CPA
Auditor of State

CITY OF FAIRBORN
GREENE COUNTY

TABLE OF CONTENTS

TITLE	PAGE
Schedule of Federal Awards Expenditures For the Year Ended December 31, 2008	1
Notes to the Schedule of Federal Awards Expenditures For the Year Ended December 31, 2008	2
Independent Accountants' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	3
Independent Accountants' Report on Compliance with Requirements Applicable to each Major Federal Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133.....	5
Schedule of Findings.....	7
Schedule of Prior Audit Findings.....	8

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**CITY OF FAIRBORN
GREENE COUNTY**

**FEDERAL AWARDS EXPENDITURES SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2008**

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program Title	Pass Through Entity Number	Federal CFDA Number	Disbursements
U.S. DEPARTMENT OF JUSTICE			
<i>Passed Through Ohio Department of Public Safety</i>			
Edward Byrne Memorial Justice Assistance Grant Program	2007-AG-A02-6243	16.738	\$21,308
<i>Passed Through Office of the Ohio Attorney General</i>			
Crime Victim Assistance	2009-VAGENE482	16.575	<u>23,663</u>
Total U.S. Department of Justice			<u>44,971</u>
U.S. DEPARTMENT OF HOMELAND SECURITY			
<i>Passed Through Ohio Department of Emergency Management</i>			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	FEMA-3286-EM-057-25914	97.036	31,040
	FEMA-1805-DR-OH		<u>70,597</u>
Total Disaster Grants			101,637
Assistance to Firefighters Grant	EMW-2006-F6-03241	97.044	272,861
<i>Passed Through Miami Valley Fire/EMS Alliance</i>			
National Urban Search and Rescue (US&R) Response System	EMW-2008-CA-1492-000	97.025	17,547
	EMW-2008-CA-1492-002		<u>14,136</u>
Total National Urban Search and Rescue (US&R Response System			<u>31,683</u>
Total U.S. Department of Homeland Security			<u>406,181</u>
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
<i>Direct Award:</i>			
Community Development Entitlement Grants/Entitlement Grants	B-08-MC-39-0032	14.218	<u>242,996</u>
Total U.S. Department of Housing and Urban Development			<u>242,996</u>
U.S. DEPARTMENT OF TRANSPORTATION			
<i>Passed Through Ohio Department of Transportation</i>			
Highway Planning and Construction	08N046	20.205	186,127
<i>Passed Through Ohio Department of Public Safety</i>			
State and Community Highway Safety	TE-2009-29-00-00-00401-00	20.600	
State and Community Highway Safety	TE-2008-29-00-00-00402-00	20.600	5,000
State and Community Highway Safety	TE-2009-29-00-00-00405-00	20.600	
State and Community Highway Safety	TE-2008-29-00-00-00430-00	20.600	<u>20,000</u>
Total State and Community Highway Safety			<u>25,000</u>
Total U.S. Department of Transportation			<u>211,127</u>
Total			<u>\$905,275</u>

The accompanying notes are an integral part of this schedule.

**CITY OF FAIRBORN
GREENE COUNTY**

**NOTES TO THE FEDERAL AWARDS EXPENDITURES SCHEDULE
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2008**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

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

NOTE B - MATCHING REQUIREMENTS

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



Mary Taylor, CPA

Auditor of State

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

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

To the Mayor and the City Council:

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Fairborn, Greene County, (the City) as of and for the year ended December 31, 2008, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 25, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

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

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

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

We noted certain matters that we reported to the City's management in a separate letter dated June 25, 2009.

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 noncompliance or other matters that we reported to the City's management in a separate letter dated June 25, 2009.

We intend this report solely for the information and use of the audit committee, management, the Mayor, City Counsel and federal awarding agencies. 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, 2009



Mary Taylor, CPA

Auditor of State

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

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

To the Mayor and the City Council:

Compliance

We have audited the compliance of the City of Fairborn (the City) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that apply to each of its major federal programs for the year ended December 31, 2008. The summary of auditor's results section of the accompanying schedule of finding identifies the City's major federal programs. The City's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. Our responsibility is to express an opinion on the City's compliance based on our audit.

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

In our opinion, the City of Fairborn complied, in all material respects, with the requirements referred to above that apply to each of its major federal programs for the year ended December 31, 2008.

Internal Control Over Compliance

The City's management is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with requirements that could directly and materially affect a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

**Internal Control Over Compliance
(Continued)**

A *control deficiency* in internal control over compliance exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent or detect noncompliance with a federal program compliance requirement on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the City's ability to administer a federal program such that there is more than a remote likelihood that the City's internal control will not prevent or detect more-than-inconsequential noncompliance with a federal program compliance requirement.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that the City's internal control will not prevent or detect material noncompliance with a federal program's compliance requirements.

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

Federal Awards Expenditures Schedule

We have also 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 as of and for the year ended December 31, 2008, and have issued our report thereon dated June 25, 2009. Our audit was performed to form opinions on the financial statements that collectively comprise the Government's basic financial statements. The accompanying Federal Awards Expenditures Schedule provides additional information as required by OMB Circular A-133 and is not a required part of the basic financial statements. We subjected this information 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 intend this report solely for the information and use of the audit committee, management, the Mayor, City Council and federal awarding agencies. It is not intended for anyone other than these specified parties.



Mary Taylor, CPA
Auditor of State

June 25, 2009

**CITY OF FAIRBORN
GREENE COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
DECEMBER 31, 2008**

1. SUMMARY OF AUDITOR'S RESULTS

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unqualified
<i>(d)(1)(ii)</i>	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any other significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
<i>(d)(1)(iv)</i>	Were there any material internal control weaknesses reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any other significant deficiencies in internal control reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unqualified
<i>(d)(1)(vi)</i>	Are there any reportable findings under § .510?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	Community Development Block Grants/Entitlement Grants CFDA 14.218 Assistance to Firefighters Program CFDA 97.044
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A/B Programs	Type A: > \$ 300,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee?	No

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

None.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL PROGRAMS

None.

**CITY OF FAIRBORN
GREENE COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS
DECEMBER 31, 2008**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2007-001	GASB Statement 33-requires assets to be recognized when all eligibility requirements are met or funds are received	Yes	
2007-002	Calculation of net assets	Yes	
2007-003	The City did not establish separate funds for each special levy	Partially	Repeated in separate letter to management.
2007-004	Ohio Constitution Art. II Sec. 20-the general assembly should determine the term of office and the compensation of all officers, but no change should affect the salary of the officer during his/her term	Yes	

CITY OF FAIRBORN, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the year ended
December 31, 2008



CITY OF FAIRBORN, OHIO

GREENE COUNTY

Comprehensive Annual Financial Report

For the Year Ended December 31, 2008

Prepared by:
Department of Finance

Randall J. Groves, CPFO, CGFM
Finance Director



City of Fairborn, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2008
Table of Contents

INTRODUCTORY SECTION

Table of Contents	i
Letter of Transmittal	v
GFOA Certificate of Achievement	xiv
Principal Officials	xv
Organizational Chart	xvi

FINANCIAL SECTION

Independent Accountants' Report.....	1
Management's Discussion and Analysis.....	3

Basic Financial Statements:

Government-Wide Financial Statements:

Statement of Net Assets	13
Statement of Activities.....	14

Fund Financial Statements:

Balance Sheet – Governmental Funds	16
Reconciliation of Total Governmental Fund Balances to Net Assets of Governmental Activities.....	18
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds.....	20
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	22
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Non-GAAP Basis) – General Fund.....	24
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Non-GAAP Basis) – Fire and EMS Fund	25
Statement of Fund Net Assets – Proprietary Funds	26

City of Fairborn, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2008
Table of Contents
(continued)

Statement of Revenues, Expenses and Changes in Fund Net Assets – Proprietary Funds	28
Statement of Cash Flows – Proprietary Funds	30
Statement of Fiduciary Assets and Liabilities – Agency Fund	32
Notes to the Basic Financial Statements	33
Combining Financial Statements:	
Combining Financial Statements – Nonmajor Governmental Funds:	
Nonmajor Fund Descriptions	79
Combining Balance Sheet – Nonmajor Governmental Funds	82
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds	83
Combining Balance Sheet – Nonmajor Special Revenue Funds	84
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Special Revenue Funds	88
Combining Balance Sheet – Nonmajor Capital Projects Funds.....	92
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Capital Projects Funds.....	94
Combining Financial Statements Proprietary Funds:	
Internal Service Funds Descriptions	96
Combining Statement of Fund Net Assets – Internal Service Funds.....	97
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets – Internal Service Funds	98
Combining Statement of Cash Flows – Internal Service Funds.....	99
Combining Financial Statements Fiduciary Funds:	
Agency Fund Description	100
Statement of Changes in Assets and Liabilities – Agency Fund.....	101

City of Fairborn, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2008
Table of Contents
(continued)

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

General Fund.....	102
Fire and EMS Fund.....	106
General Bond Retirement Fund	107
Tax Increment Financing Fund	108
Water Fund.....	109
Sewer Fund	110
Sanitation Fund	111
Street Maintenance and Repair Fund	112
State Highway Fund.....	113
Cemetery Fund.....	114
Community Development Fund.....	115
Victim Witness Fund	117
Street Lighting Fund	118
County Motor Vehicle Tax Fund.....	119
Law Enforcement Trust Fund	120
Drug Law Enforcement Fund	121
City Motor Vehicle License Tax Fund	122
Indigent Drivers Alcohol Treatment Fund.....	123
Alcohol Enforcement and Education Fund.....	124
Federal Forfeitures Fund.....	125
Municipal Probation Services Fund.....	126
Traffic Intervention Fund.....	127
Uninsured Loss Fund	128
Issue II Improvement Fund.....	129
Municipal Court Improvement Fund	130
Court Special Projects Fund.....	131
General Capital Improvement Fund.....	132
Parks and Recreation Improvements Fund	133
Public Safety Equipment/Facility Fund	134
Building and Land Fund	135
Special Assessment Construction Fund	136
Equipment Fund.....	137
Information Technology Fund	138
Employee Assistance Program Fund	139

STATISTICAL SECTION

Statistical Tables Description.....	141
Net Assets by Component – Last Seven Years – Schedule 1	142
Changes in Net Assets – Last Seven Years – Schedule 2	144
Fund Balances – Governmental Funds – Last Ten Years – Schedule 3	148
Changes in Fund Balances – Governmental Funds – Last Ten Years – Schedule 4.....	150

City of Fairborn, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2008
Table of Contents
(continued)

Assessed Value and Estimated Actual Value of Taxable Property –	
Last Ten Years – Schedule 5.....	152
Property Tax Rates – Direct and Overlapping Governments – Last Ten	
Years – Schedule 6.....	154
Principal Property Tax Payers – 2008 and 2005 – Schedule 7	158
Property Tax Levies and Collections – Last Ten Years – Schedule 8	159
Income Tax by Payer Type and Income Tax Rate – Last Ten Years – Schedule 9	160
Ratios of Outstanding Debt by Type – Last Ten Years – Schedule 10.....	162
Ratio of General Obligation Bonded Debt to Estimated Actual Value	
And General Obligation Bonded Debt Per Capita – Last Ten Years – Schedule 11	164
Direct and Overlapping Governmental Activities Debt – December 31, 2008 –	
Schedule 12.....	165
Legal Debt Margin Information – Last Ten Years – Schedule 13	166
Pledged Revenue Coverage – Special Assessment Bonds – Governmental –	
Last Ten Years – Schedule 14.....	168
Pledged Revenue Coverage – Special Assessment Bonds – Sewer Fund –	
December 31, 2008 – Schedule 15.....	169
Pledged Revenue Coverage – OPWC Loan – Water Fund – Last Ten Years –	
Schedule 16.....	170
Pledged Revenue Coverage – OWDA Loans – Sewer Funds – Last Ten Years –	
Schedule 17.....	171
Demographic and Economic Statistics – Last Ten Years – Schedule 18.....	172
Principal Employers – 2008 and 2005 – Schedule 19.....	173
Full Time Equivalent City Government Employees by Function/Program –	
Last Ten Years – Schedule 20.....	174
Operating Indicators by Function/Program – Last Ten Years – Schedule 21.....	176
Capital Assets Statistics by Function/Program – Last Ten Years – Schedule 22	178

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, 2009

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

Submitted for your review is the Comprehensive Annual Financial Report (CAFR) of the City of Fairborn ("the City") for the year ended December 31, 2008. 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).

Ohio law requires that every city file its unaudited financial statements with the Auditor of State and publish their availability within five months of the close of each year. The general purpose external financial statements from this report were filed to fulfill that requirement for the year ended December 31, 2008.

Introduction

While there is no legal requirement for the preparation of the report, it represents a commitment by the City of Fairborn to conform to nationally recognized standards of excellence in financial reporting. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City Finance Department. We believe the data, as presented, is accurate in all material respects, 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 Numbers 14, "The Financial Reporting Entity" and 39 "Determining Whether Certain Organizations are Component Units." 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 current charter on November 2, 1971.

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

Economic Condition and Outlook

Economic diversity continues to be essential to the City of Fairborn. The community is home to Wright State University and serves as the gateway to Wright-Patterson Air Force Base (WPAFB). The City remains committed to an economic development strategy that capitalizes on the assets of WPAFB and Wright State University and encourages a balance between new construction and redevelopment opportunities.

Despite the downturn in the economy in 2008, the City of Fairborn remains confident that growth in residential, commercial and industrial development will continue. This optimism is fueled by the reality of Calamityville™ (discussed in *Major Initiatives – For the Future* that follows) and continued discussions regarding the missions that are expected to be transferred as a result of the United States Air Force Base Realignment and Closure (BRAC) decisions. Initial estimates have placed the number of BRAC transfers to the region at approximately 1,100 with additional associated contracting and support individuals at approximately 3,300.

Amidst the economic crisis that developed in 2008, construction activity actually increased slightly in the City compared to 2007 levels. The total value of all construction activity in 2008 was \$35.5 million compared to \$35.2 million the previous year.

Residential development is diverse in the City of Fairborn with single family home sites available as well as condominium opportunities for every age group. New single-family home construction numbers in 2008 were much lower than those in 2007, 33 versus 78, showing the single-family housing market has slowed down significantly. The value of residential construction in 2008 was \$10.1 million versus \$17.5 million in 2007. The majority of new residential construction activity occurred within seven residential subdivisions: Ashbury Hill Estates, Candlelite Estates, Chapelgate, Cornerstone, Faircreek Ridge, Meadowlands Estates, and the Sanctuary.

While residential development was down, commercial development was greater than the previous year with \$25.4 million in construction activity in 2008 versus \$17.7 million in 2007. New businesses locating in Fairborn included a new Fifth-Third branch on Dayton-Yellow Springs Road and a Texas Roadhouse restaurant on Colonel Glenn Highway. Additionally, there were numerous renovations to existing businesses. Valle Greene North, with approximately 120 acres of land open for development, continues to be poised for commercial and light industrial development activity along North Commerce Center Boulevard, which extends north to Garland Avenue.

Fairborn is confident it will capitalize further on its many positive economic development opportunities. The City is partnering with the Dayton Development Coalition to coordinate economic development strategies and opportunities with local governments and businesses. The City is actively focusing on areas of global growth and regional strength including data management, advance “smart” materials and manufacturing and human aerospace sciences, as well as biomedicine and nanotechnology efforts.

The City will continue to meet with existing businesses through membership in the Business First! Retention and Expansion Program, while also working with the Downtown Fairborn Betterment Association to determine the needs of those business owners and develop a plan to continue the revitalization of downtown. Commercial interest in Fairborn will remain strong through the City’s efforts working with businesses and developers to consider Fairborn for their next location whether it be downtown, on Broad Street, Valle Greene North or Fairborn Commerce Center.

Major Initiatives

For 2008

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 2008, the fourth year of this street improvement program, the City has resurfaced or repaired 25.7 miles of roadways affecting 87 local streets and 13 thoroughfares. In 2008, Phase I of the Dayton-Yellow Springs Road resurfacing was completed. With the completion of Phase II next year, this roadway will become a beautiful entryway into the City of Fairborn.

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.

In 2008 the City brought a new well field online that included the installation of two new wells capable of providing over five million gallons of water per day to our Water Treatment Plant, a quantity sufficient to meet current average daily demands. When combined with other existing wells, the City is well situated to handle both high usage days and future raw water needs. To ensure the City's plant will produce sufficient quantities of treated water, project design is currently being completed to increase its capacity from 5.4 million gallons a day to over six million gallons per day.

In accordance with the City's Wastewater Master Plan, the Water Reclamation Center is in the process of completing a project that replaces an aging, labor intensive and inefficient main pump station with a new, state-of-the-art, low life-cycle cost influent pump station that ensures the City will be able to meet its growth needs for the foreseeable future. The project also includes the installation of an emergency generator that will power the entire Water Reclamation Center in case of emergency.

As with most cities of similar age, the water and wastewater infrastructure periodically is in need of repair and/or replacement. Thirty-five manholes were rehabilitated in 2008 to both extend their useful life and reduce the infiltration of groundwater and inflow of surface water which can significantly impact the Water Reclamation Center during storm events. Plans have also been completed 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 our 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 2008, the City of Fairborn received \$142,697 from the USDA in exchange for restricting 46 acres of parkland at Community Park for a conservation easement with the United States Department of Agriculture. The parkland acreage is located along the path of the Beaver Creek flowing through Wedgewood Park and Community Park between Garland Avenue and I-675. The \$142,697 has been deposited into the Parks and Recreation Capital Improvements Capital Projects Fund to be used for conservation and park improvement projects. The land use plan for the park does not change because it is currently being managed in a way that is compatible with the USDA conservation easement requirements.

The Parks and Recreation Division completed several projects in 2008, including installing a new playground at Maplewood Park and purchasing swings for Wright Park and Maplewood Park and new signage for Wedgewood Park, Patterson Park, and Rona Hills Park. A grant to fund the construction of restrooms and a picnic shelter at Community Park was approved and the construction of those two projects will begin in 2009.

Minor renovations continued in the Government Center as a stained concrete floor was installed in the Administration Lobby and Utility Lobby. This new floor is extremely maintenance friendly and very cost effective. The entire Government Center was painted in 2008 as well. This fresh coat of paint brought the look of the facility up to date.

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 has many new roadway projects coming up in the next few years. As Fairborn continues to grow to the north and east, the construction of new thoroughfare roadways along with widening and other roadway improvements will be greatly anticipated.

The City plans to continue to develop its water resources with an additional well in the new well field, a second raw water line to convey water under the river and to the water treatment plant, and upgrades to the treatment facility that will improve both water quality and quantity. Additionally, attention will be given to existing water and sewer infrastructure to extend useful life where possible or plan for replacement where warranted.

The Water Reclamation Center's next project addresses upgrading the Northwest Pump Station with increased capacity and high efficiency, low life-cost equipment to accommodate continued development in the City's southern sector.

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 Broad Street Corridor Plan which will focus on the entry into the City from I-675 to Wright-Patterson Air Force Base, a Downtown Streetscape Plan design for a 10-block section of Main Street, a development plan for I-675 between State Routes 444 and 235, and the application for \$450,000 from the State of Ohio for Community Housing Improvement Program (CHIP) funds to address housing rehabilitation needs within the target area.

Finally, the City won a \$2.8 million Clean Ohio Revitalization Fund grant, along with a \$200,000 grant from the US EPA for a Brownfield cleanup of the former CEMEX, Inc. property located at 506 East Xenia Drive. This site served as a cement manufacturing plant from 1920 until 2002 when it moved its operations east of the City. Its adaptive reuse will serve as the future location of Calamityville,TM a program of the National Center for Medical Readiness through the Wright State University Homeland Emergency Learning and Preparedness (HELP) Center.

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. Customers will include first providers/receivers including doctors, nurses, military response teams, as well as first responders including law enforcement, fire, and emergency medical services. The Calamityville™ project is estimated to create a \$750 million economic impact to the region over the next three years according to an economic analysis prepared by Wright State University.

In summary, with Calamityville™ coming to fruition and the BRAC initiatives on the horizon, the City is poised to accept new businesses and ancillary contractors in the future. The City has adopted an aggressive approach to retaining existing businesses and attracting new businesses in order to assure a healthy, well diversified business base in the future. In addition, through its focus on code enforcement and a higher quality of life, the future is optimistic for a strong, viable community.

Financial Information

Basis of Accounting

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

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

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

Internal Control Structure and Budgetary Controls

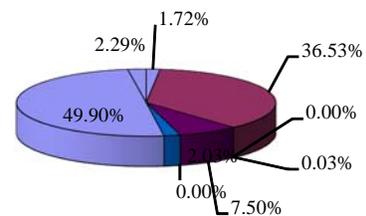
Development of the City's accounting system included consideration of internal accounting controls. These controls are designed to provide reasonable, but not absolute, assurance regarding (1) the safeguarding of assets against loss from unauthorized use or disposition and (2) the reliability of financial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

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

Cash Management

The City, with guidance from an investment consultant, pursues an aggressive but safe cash management program by expediting the receipt of revenues and prudently investing available cash pursuant to the City's investment policy. Total investment earnings of \$1 million were realized for the year ended December 31, 2008.

<u>Cash Resources</u>	<u>2008</u>	<u>%</u>
Cash	\$383,773	1.72
STAROhio	8,174,178	36.53
First American Government Obligations		
Money Market Mutual Fund	5,751	0.03
Fifth Third Institutional Money	1,678,796	7.50
Market Fund		
Federal Home Loan Mortgage Corporation	454,216	2.03
Federal Home Loan Bank	11,165,390	49.90
Federal Farm Credit Bank	512,030	2.29
	<u>\$22,374,134</u>	<u>100.00</u>



A majority of the City's deposits are collateralized by pooled collateral. By law, financial institutions may establish a collateral pool to cover all public deposits. The face value of the pooled collateral must equal at least 105 percent of the uninsured public funds on deposit. The collateral is held by trustees, including the Federal Reserve Bank and designated third party trustees of the financial institutions. The City regularly reviews the market value of the pool to ensure that adequate collateral is being provided. No portion of the City's funds was invested in derivatives.

Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City is a member of the Public Entities Pool of Ohio (PEP), a risk sharing self-insurance pool. The pool consists of 440 local governments that pool risk for property, liability, and public official liability.

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

See Note 19 to the basic financial statements for a more detailed discussion of risk management.

Other Information

Employee Union Contracts

City employees are members of five different bargaining groups, 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 expires 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 expires on December 31, 2009.

Management's Discussion and Analysis (MD&A)

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

Independent Audit

Ohio law and the Fairborn City Charter require an annual audit of the City's financial statements by an independent auditor. The Ohio Auditor of State performed the audit for the year ending December 31, 2008, 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, 2007. This was the nineteenth 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, 2008 continues to conform to program requirements and we will be submitting it to the GFOA to determine its eligibility for another Certificate of Achievement.

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 L. 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". The signature is stylized and cursive.

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, 2007

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.



A handwritten signature in black ink, appearing to read "M. L. R.", is written above the title.

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Emer", is written above the title.

Executive Director

City of Fairborn, Ohio

Principal Officials

December 31, 2008

COUNCIL - MANAGER FORM OF GOVERNMENT

CITY COUNCIL

Gary L. Woodward, Mayor

Joan Dautel, Deputy Mayor

Fred L. Pumroy, Council Member

Frank Cervone, Council Member

Stuart M. Snow, Council Member

James R. Hapner, Council Member

E. J. Griffith, Council Member

CITY MANAGER

Deborah A. McDonnell

CITY SOLICITOR

Michael Mayer

FINANCE DIRECTOR

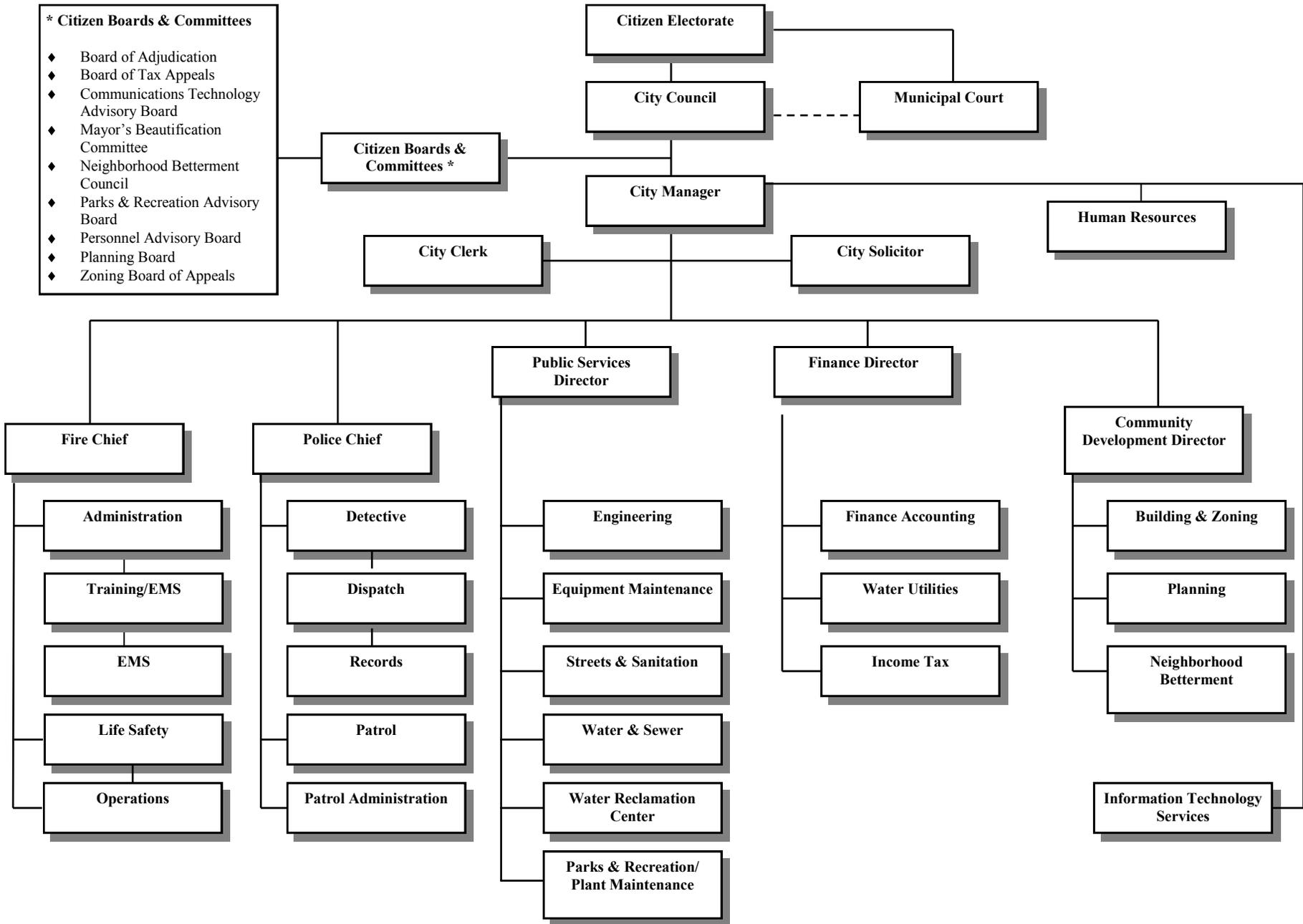
Randall J. Groves

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, 2008, 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, 2008 and the respective changes in financial position and where applicable, cash flows, thereof and the respective budgetary comparisons for the General Fund and the Fire and EMS Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 25, 2009, 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 Discussions and Analysis is not a required part of the basic financial statements but is supplementary information accounting principles generally accepted in the United States of America requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

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

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

Mary Taylor, CPA
Auditor of State

June 25, 2009

City of Fairborn, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2008
(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, 2008, 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 \$5 million while net assets of business-type activities increased by \$1.3 million, resulting in a seven percent increase in the City's total net assets.
- The General Fund balance decreased \$1 million (18 percent) to \$4.7 million.
- Unrestricted governmental activities net assets realized a 20 percent decrease to \$7.2 million.
- Business-type activity operations reflected an operating income of \$1.8 million and net assets increased \$1.3 million to \$18.4 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, 2008
(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 recoup operating costs.

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 16. 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, General Bond Retirement, Tax Increment Financing, Water, Sewer, and Sanitation Funds.

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.

City of Fairborn, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2008
(Unaudited)

Proprietary Funds

Services for which the City charges its citizens with the intent of recapturing operating costs 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 2008 compared to 2007.

Table 1
Net Assets

	Governmental Activities		Business-type Activities		Total		
	2008	Restated 2007	2008	Restated 2007	2008	Restated 2007	Variance
Assets:							
Current and Other Assets	\$27,044,942	\$26,280,019	\$11,906,064	\$9,196,258	\$38,951,006	\$35,476,277	\$3,474,729
Capital Assets	70,502,482	68,494,030	25,850,001	24,502,563	96,352,483	92,996,593	3,355,890
<i>Total Assets</i>	<u>97,547,424</u>	<u>94,774,049</u>	<u>37,756,065</u>	<u>33,698,821</u>	<u>135,303,489</u>	<u>128,472,870</u>	<u>6,830,619</u>
Liabilities:							
Current and Other Liabilities	7,710,846	8,915,855	1,363,137	8,035,275	9,073,983	16,951,130	(7,877,147)
Long-Term Liabilities	14,429,449	15,441,399	17,958,742	8,566,157	32,388,191	24,007,556	8,380,635
<i>Total Liabilities</i>	<u>22,140,295</u>	<u>24,357,254</u>	<u>19,321,879</u>	<u>16,601,432</u>	<u>41,462,174</u>	<u>40,958,686</u>	<u>503,488</u>
Net Assets:							
Invested in Capital Assets, Net of Related Debt	57,573,335	54,537,585	11,700,861	9,928,349	69,274,196	64,465,934	4,808,262
Restricted	10,611,938	6,871,704	0	0	10,611,938	6,871,704	3,740,234
Unrestricted	7,221,856	9,007,506	6,733,325	7,169,040	13,955,181	16,176,546	(2,221,365)
<i>Total Net Assets</i>	<u>\$75,407,129</u>	<u>\$70,416,795</u>	<u>\$18,434,186</u>	<u>\$17,097,389</u>	<u>\$93,841,315</u>	<u>\$87,514,184</u>	<u>\$6,327,131</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 \$6.3 million, representing a seven percent improvement from the prior year.

City of Fairborn, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2008
(Unaudited)

Table 2 shows the changes in net assets for the year ended December 31, 2008 compared to 2007.

Table 2
Changes in Net Assets

	Governmental Activities		Business-type Activities		Total	
	2008	Restated 2007	2008	Restated 2007	2008	Restated 2007
Revenues:						
Program Revenues:						
Charges for Services	\$6,154,847	\$6,266,797	\$11,273,509	\$10,166,912	\$17,428,356	\$16,433,709
Operating Grants, Contributions and Interest	2,852,492	2,910,842	8,983	0	2,861,475	2,910,842
Capital Grants, Contributions and Interest	1,867,845	672,689	0	0	1,867,845	672,689
Total Program Revenues	10,875,184	9,850,328	11,282,492	10,166,912	22,157,676	20,017,240
General Revenues:						
Property Taxes	2,400,562	3,044,706	0	0	2,400,562	3,044,706
Other Local Taxes	840,651	0	0	0	840,651	0
Municipal Income Taxes	12,579,870	11,791,441	0	0	12,579,870	11,791,441
Grants and Entitlements not Restricted to Specific Programs	2,072,364	2,357,094	0	0	2,072,364	2,357,094
Investment Earnings	958,903	1,048,527	113,524	259,186	1,072,427	1,307,713
Other	410,769	227,875	41,992	76,471	452,761	304,346
Total General Revenues	19,263,119	18,469,643	155,516	335,657	19,418,635	18,805,300
Total Revenues	30,138,303	28,319,971	11,438,008	10,502,569	41,576,311	38,822,540
Program Expenses:						
General Government	8,784,812	9,425,790	0	0	8,784,812	9,425,790
Public Safety	13,011,273	12,753,371	0	0	13,011,273	12,753,371
Leisure Time Activities	301,791	300,073	0	0	301,791	300,073
Community Development	932,039	1,042,518	0	0	932,039	1,042,518
Transportation and Street Repair	1,461,350	1,391,534	0	0	1,461,350	1,391,534
Public Health and Welfare	79,371	103,575	0	0	79,371	103,575
Interest and Fiscal Charges	577,333	726,456	0	0	577,333	726,456
Water	0	0	3,274,444	3,289,099	3,274,444	3,289,099
Sewer	0	0	4,717,417	4,514,767	4,717,417	4,514,767
Sanitation	0	0	2,109,350	2,523,416	2,109,350	2,523,416
Total Expenses	25,147,969	25,743,317	10,101,211	10,327,282	35,249,180	36,070,599
Increase in Net Assets before Transfers	4,990,334	2,576,654	1,336,797	175,287	6,327,131	2,751,941
Transfers	0	(11,212)	0	11,212	0	0
Increase in Net Assets	4,990,334	2,565,442	1,336,797	186,499	6,327,131	2,751,941
Net Assets at Beginning of Year	70,416,795	67,851,353	17,097,389	16,910,890	87,514,184	84,762,243
Net Assets at End of Year	\$75,407,129	\$70,416,795	\$18,434,186	\$17,097,389	\$93,841,315	\$87,514,184

Net assets of the City's governmental activities increased \$5 million as total assets increased 2.8 million and total liabilities decreased by \$2.2 million. Capital assets increased mainly due to an increase to infrastructure, construction in progress, and machinery and equipment (discussed in more detail in the section on Capital Assets) while current assets increased due to greater year-end receivables. Governmental activity liabilities decreased due mainly to a reduction in year-end payables while the City repaid more outstanding debt than they issued in 2008.

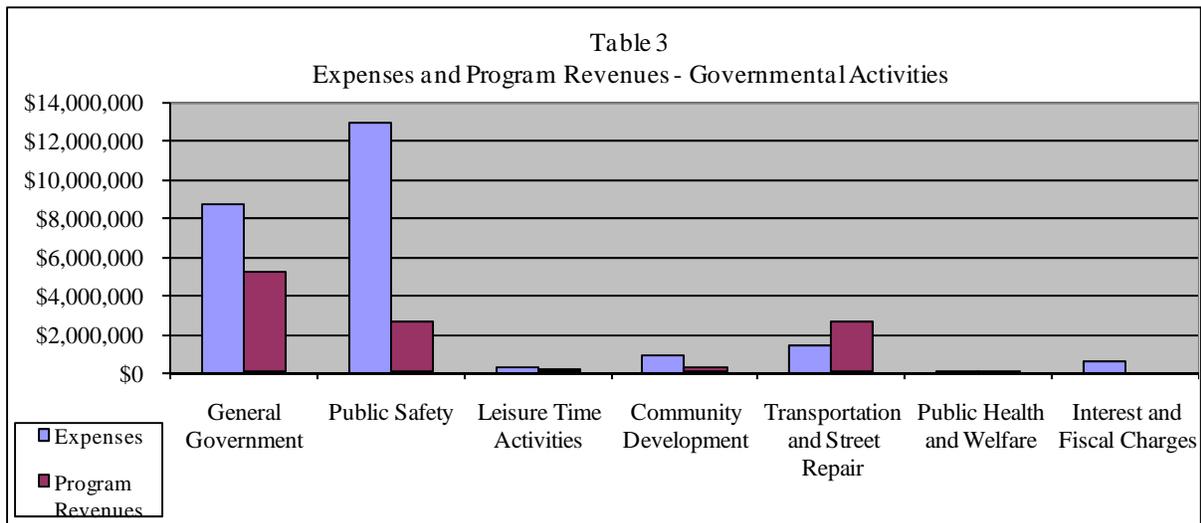
City of Fairborn, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2008
(Unaudited)

Net assets of the City's business-type activities increased \$1.3 million. Assets increased \$4 million in large part from increased revenues from user charges and note proceeds and capital assets increased due to construction in progress related to several water and sewer projects. Liabilities increased \$2.7 million as the City issued additional debt to fund the water and sewer projects.

Governmental Activities

The City's governmental activity expenses exceeded program revenues in 2008 by \$14.3 million. However, with an infusion of \$19.3 million of general revenues, the net result was a \$5 million increase in governmental activity net assets. Total net assets used in governmental activities now exceed \$75 million.

Program revenues supporting governmental activities were 36 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 almost two-thirds of governmental activities.

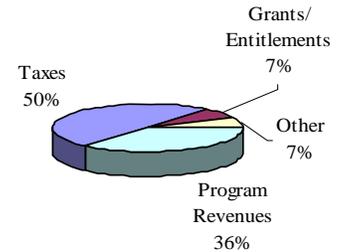


Income taxes and property taxes make up over three-fourths of general revenues. Income tax revenues were \$.8 million greater than 2007 as the City's increased compliance and hard collection efforts began to generate additional revenues. Capital grants and contributions were \$1.2 million greater in 2008 than 2007 as the City received Ohio Issue II funds to assist with the financing of the Dayton-Yellow Springs Widening Project and a U.S. Department of Transportation grant for the Dayton-Yellow Springs/Colonel Glenn Signal Interconnect project. Taxes in the form of property taxes and income taxes made up eight percent and 42 percent, respectively, of total revenues for governmental activities in fiscal year 2008. The City's reliance upon tax revenues is demonstrated in Table 4 which shows that tax revenues account for approximately 50 percent of total revenues.

City of Fairborn, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2008
(Unaudited)

Table 4
 Governmental Activity Revenues

Governmental Activity Revenues	2008	% of Total
General Revenues - Taxes	\$ 14,980,432	50%
General Revenues - Grants/Entitlements	\$ 2,072,364	7%
General Revenues - Other	\$ 2,210,323	7%
Program Revenues	\$ 10,875,184	36%
Total	\$ 30,138,303	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 which 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.

Governmental activity expenses increased slightly from the prior year due mainly to cost of living wage increases. There were no significant program changes initiated in 2008 as the City continued to maintain budgetary control by holding the line on expenses throughout the City. Public Safety expenses of \$13 million, largely made up of police and fire/EMS operations, were 52 percent of total governmental activity expenses. With program revenues covering only 20 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 activities receive no support from tax revenues. Each of the Water, Sewer, and Sanitation Funds reported increased operating income for 2008 as usage rates for each of these services were increased in 2008. Business-type activity net assets rose eight percent to \$18.4 million.

City of Fairborn, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2008
(Unaudited)

THE CITY'S FUNDS

Governmental funds report financial activity focusing on the near-term flow of expendable resources and assists in demonstrating fiscal accountability. Thus, fund balances provide us with a snapshot of what resources are available at year-end for near-term spending, and an analysis of changes to fund balances over time assists in evaluating the degree to which a specific program, or a group of activities, is "living within its means." At year-end, the \$8 million fund balance of all governmental funds combined was five percent less than the balance from a year ago.

The City has four major governmental funds including the General, Fire and EMS, General Bond Retirement, and Tax Increment Financing Fund, which combine for 39 percent of all governmental fund balances and account for 68 percent of the \$26.6 governmental funds' net assets.

General Fund: The Fund balance at year-end was \$4.7 million, a decrease of 18 percent over 2007. Revenues for 2008 were virtually the same as for 2007 but were \$1 million less than expenditures and transfers (86 percent of such transfers subsidizing fire and EMS services). The most significant increases to expenditures were the result of increased personal services resulting from merit and cost of living increases to employees' salaries.

Fire and EMS Fund: The General Fund subsidizes the Fire and EMS Fund with operating transfers with the intent that this fund maintains a zero cash balance. Accrued expenditures exceeded accrued revenues at year-end resulting in a \$.2 million deficit, reducing the December 31, 2008 fund balance to (\$.3 million).

General Bond Retirement Fund: The fund balance at December 31, 2008, was \$.35 million, a slight decrease from 2007, but relatively consistent compared to the prior year.

Tax Increment Financing Fund: A negative fund balance is carried in this fund as revenue 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, 2008 was (\$1.8 million), essentially no change from the prior year.

General Fund Budgetary Highlights

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

Final budgeted revenues and expenditures were 99 percent and 111 percent, respectively, of the original budget for the General Fund. Actual revenues were virtually equal to budgeted revenues and actual expenditures were within five percent of budgeted expenditures. Both original and final budgets projected deficit conditions with expenditures exceeding revenues by \$.6 million for the original and \$1.2 million for the final budget. Actual general government and public safety expenditures were lower than budgeted however, resulting in a deficit of \$.7 million for the General Fund on a cash basis.

City of Fairborn, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2008
(Unaudited)

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 5 summarizes the capital assets of governmental and business-type activities, net of accumulated depreciation.

Governmental activity capital assets increased three percent during 2008. Construction in progress increased \$1 million from roadway improvements as part of the 2008 Street Program. Machinery and equipment increased \$1.03 million from acquisitions made as a result of several major projects completed in 2008 including the dispatch center upgrade, energy savings program, and Assistance to Firefighters Grant interoperability program. Infrastructure increased \$0.47 million as the Dayton-Yellow Springs Road Widening and Dayton-Yellow Springs/Colonel Glenn Highway Signal Interconnect projects were completed.

Business-type capital assets increased 5 percent in 2008 mainly due to increases to construction in progress as a result of the replacement of the main pump station and generator at the Water Reclamation Center, construction of the Kaufman Avenue lift station and Rona Village booster station, and completion of the Northeast Mad River Well Field.

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

Table 5
Capital Assets (Net of Depreciation)

	Governmental Activities		Business-type Activities		Total	
	2008	Restated 2007	2008	Restated 2007	2008	Restated 2007
Land	\$13,488,717	\$13,348,854	\$165,741	\$165,741	\$13,654,458	\$13,514,595
Construction in Progress	1,069,291	143,013	3,862,697	1,403,736	4,931,988	1,546,749
Buildings	14,972,463	15,424,587	11,558,739	12,056,631	26,531,202	27,481,218
Improvements Other Than Buildings	649,376	633,047	1,104,899	1,291,874	1,754,275	1,924,921
Machinery and Equipment	1,709,351	675,097	982,840	1,145,051	2,692,191	1,820,148
Vehicles	2,543,507	2,669,344	567,838	423,162	3,111,345	3,092,506
Infrastructure	36,069,777	35,600,084	7,607,247	8,016,368	43,677,024	43,616,452
Total	\$70,502,482	\$68,494,026	\$25,850,001	\$24,502,563	\$96,352,483	\$92,996,589

City of Fairborn, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2008
(Unaudited)

Debt Administration

Table 6 summarizes the 2008 long-term debt activity of governmental and business-type activities.

Table 6
 Outstanding Long-term Obligations at Year-End

	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
Long-term Notes	\$135,000	\$0	\$10,635,000	\$0
General Obligation Bonds	890,000	1,080,000	4,835,924	5,635,804
Revenue Bonds	6,818,874	7,767,019	0	0
Special Assessment Bonds	1,960,000	2,012,412	140,000	150,000
Landfill Closure and Postclosure	0	0	386,320	424,952
Loans	0	0	1,771,044	2,168,182
Capital Leases	804,147	627,014	5,239	20,228
Intergovernmental Payable	2,710,941	2,906,026	0	0
Compensated Absences Payable	1,110,487	1,020,054	185,215	166,991
Totals	<u>\$14,429,449</u>	<u>\$15,412,525</u>	<u>\$17,958,742</u>	<u>\$8,566,157</u>

Governmental activity long-term obligations were reduced by \$1 million in 2008 due to scheduled debt service on all outstanding bonds, notes, and other long-term payables. Long-term obligations of business-type activities increased significantly due mainly to the timing of the refinancing of the 2008 Various Purpose Sewer bond anticipation note. This note was refinanced after December 31, 2008 but prior to the issuance of the basic financial statements, thus necessitating its recognition as a long-term obligation.

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, 2008, 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, 2008

	Governmental Activities	Business-Type Activities	Total
Assets:			
Equity in Pooled Cash and Cash Equivalents	\$11,569,288	\$10,422,555	\$21,991,843
Accounts Receivable	643,023	964,125	1,607,148
Accrued Interest Receivable	155,879	0	155,879
Internal Balances	(202,332)	202,332	0
Materials and Supplies Inventory	197,034	177,052	374,086
Intergovernmental Receivables	2,094,006	0	2,094,006
Revenue in Lieu of Taxes Receivable	4,091,167	0	4,091,167
Municipal Income Taxes Receivable	3,970,069	0	3,970,069
Property Taxes Receivable	2,520,356	0	2,520,356
Other Local Taxes Receivable	108,877	0	108,877
Special Assessments Receivable	1,897,575	140,000	2,037,575
Nondepreciable Capital Assets	14,558,008	4,028,438	18,586,446
Depreciable Capital Assets, net	55,944,474	21,821,563	77,766,037
<i>Total Assets</i>	<u>97,547,424</u>	<u>37,756,065</u>	<u>135,303,489</u>
Liabilities:			
Accounts Payable	398,413	85,720	484,133
Contracts Payable	982,286	305,617	1,287,903
Retainage Payable	43,740	204,713	248,453
Accrued Wages Payable	375,099	57,623	432,722
Intergovernmental Payable	1,091,266	94,139	1,185,405
Refundable Deposits	0	186,924	186,924
Deferred Revenue	2,283,929	0	2,283,929
Notes Payable	2,490,000	245,000	2,735,000
Accrued Interest Payable	46,113	183,401	229,514
Long-Term Liabilities:			
Due Within One Year	2,572,776	1,398,831	3,971,607
Due in More Than One Year	11,856,673	16,559,911	28,416,584
<i>Total Liabilities</i>	<u>22,140,295</u>	<u>19,321,879</u>	<u>41,462,174</u>
Net Assets:			
Invested in Capital Assets, Net of Related Debt	57,573,335	11,700,861	69,274,196
Restricted for Debt Service	2,154,303	0	2,154,303
Restricted for Capital Outlay	3,919,830	0	3,919,830
Restricted for Public Safety	1,108,817	0	1,108,817
Restricted for Transportation and Street Repair	3,243,984	0	3,243,984
Restricted for Community Development	45,573	0	45,573
Restricted for General Government	139,431	0	139,431
Unrestricted	7,221,856	6,733,325	13,955,181
<i>Total Net Assets</i>	<u>\$75,407,129</u>	<u>\$18,434,186</u>	<u>\$93,841,315</u>

See accompanying notes to the basic financial statements

City of Fairborn, Ohio
Statement of Activities
For the Year Ended December 31, 2008

	Program Revenues			
	Expenses	Charges for Services	Operating Grants, Contributions and Interest	
Governmental Activities:				
General Government	\$8,784,812	\$4,468,225	\$85,284	\$682,966
Public Safety	13,011,273	1,643,651	954,315	0
Leisure Time Activities	301,791	15,800	0	161,772
Community Development	932,039	0	241,535	0
Transportation and Street Repair	1,461,350	0	1,571,358	1,023,107
Public Health and Welfare	79,371	27,171	0	0
Interest and Fiscal Charges	577,333	0	0	0
<i>Total Governmental Activities</i>	<u>25,147,969</u>	<u>6,154,847</u>	<u>2,852,492</u>	<u>1,867,845</u>
Business-Type Activities:				
Water	3,274,444	3,410,484	5,813	0
Sewer	4,717,417	5,466,151	3,170	0
Sanitation	2,109,350	2,396,874	0	0
<i>Total Business-Type Activities</i>	<u>10,101,211</u>	<u>11,273,509</u>	<u>8,983</u>	<u>0</u>
<i>Totals</i>	<u>\$35,249,180</u>	<u>\$17,428,356</u>	<u>\$2,861,475</u>	<u>\$1,867,845</u>

General Revenues:
Property Taxes Levied For:
 General Purposes
 Fire and EMS
 Debt Service
 Street Lighting
Other Local Taxes
Municipal Income Taxes Levied For:
 General Purposes
 Street Programs
 Capital Outlay
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

Net (Expense) Revenue and Changes in Net Assets

Governmental Activities	Business-Type Activities	Total
(\$3,548,337)	\$0	(\$3,548,337)
(10,413,307)	0	(10,413,307)
(124,219)	0	(124,219)
(690,504)	0	(690,504)
1,133,115	0	1,133,115
(52,200)	0	(52,200)
(577,333)	0	(577,333)
<u>(14,272,785)</u>	<u>0</u>	<u>(14,272,785)</u>
0	141,853	141,853
0	751,904	751,904
0	287,524	287,524
<u>0</u>	<u>1,181,281</u>	<u>1,181,281</u>
<u>(14,272,785)</u>	<u>1,181,281</u>	<u>(13,091,504)</u>
1,751,432	0	1,751,432
373,158	0	373,158
133,767	0	133,767
142,205	0	142,205
840,651	0	840,651
8,488,898	0	8,488,898
2,060,948	0	2,060,948
2,030,024	0	2,030,024
2,072,364	0	2,072,364
958,903	113,524	1,072,427
410,769	41,992	452,761
<u>19,263,119</u>	<u>155,516</u>	<u>19,418,635</u>
4,990,334	1,336,797	6,327,131
<u>70,416,795</u>	<u>17,097,389</u>	<u>87,514,184</u>
<u>\$75,407,129</u>	<u>\$18,434,186</u>	<u>\$93,841,315</u>

City of Fairborn, Ohio
Balance Sheet
Governmental Funds
December 31, 2008

	General	Fire and EMS	General Bond Retirement
Assets:			
Equity in Pooled Cash and Cash Equivalents	\$4,539,655	\$122,991	\$346,215
Receivables:			
Property Taxes	1,838,804	391,131	141,538
Other Local Taxes	83,341	0	0
Municipal Income Taxes	2,695,931	0	0
Revenue in Lieu of Taxes	0	0	0
Interfund	19,603	0	0
Accounts	6,581	541,751	80,337
Special Assessments	0	0	1,897,575
Accrued Interest	155,879	0	0
Intergovernmental	930,970	40,772	7,160
Materials and Supplies Inventory	27,846	0	0
<i>Total Assets</i>	<u>\$10,298,610</u>	<u>\$1,096,645</u>	<u>\$2,472,825</u>
Liabilities and Fund Balances:			
Liabilities:			
Accounts Payable	\$222,810	\$24,576	\$0
Contracts Payable	0	0	0
Retainage Payable	0	0	0
Interfund Payable	8,057	11,434	0
Accrued Wages Payable	212,307	121,600	0
Intergovernmental Payable	521,235	400,355	0
Deferred Revenue	4,634,847	793,209	2,126,610
Accrued Interest Payable	0	0	0
Notes Payable	0	0	0
<i>Total Liabilities</i>	<u>5,599,256</u>	<u>1,351,174</u>	<u>2,126,610</u>
Fund Balances:			
Reserved for Encumbrances	202,949	70,992	0
Unreserved, Undesignated (Deficit), Reported in:			
General Fund	4,496,405	0	0
Special Revenue Funds	0	(325,521)	0
Debt Service Fund	0	0	346,215
Capital Projects Funds	0	0	0
<i>Total Fund Balances (Deficit)</i>	<u>4,699,354</u>	<u>(254,529)</u>	<u>346,215</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$10,298,610</u>	<u>\$1,096,645</u>	<u>\$2,472,825</u>

See accompanying notes to the basic financial statements

<u>Tax Increment Financing</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
\$20,665	\$5,966,974	\$10,996,500
0	148,883	2,520,356
0	25,536	108,877
0	1,274,138	3,970,069
4,091,167	0	4,091,167
0	38,771	58,374
0	14,344	643,013
0	0	1,897,575
0	0	155,879
0	1,093,894	2,072,796
0	85,195	113,041
<u>\$4,111,832</u>	<u>\$8,647,735</u>	<u>\$26,627,647</u>
\$0	\$129,579	\$376,965
0	982,286	982,286
0	43,740	43,740
0	66,031	85,522
0	24,573	358,480
0	142,760	1,064,350
4,091,167	1,721,903	13,367,736
18,001	7,707	25,708
1,761,000	729,000	2,490,000
<u>5,870,168</u>	<u>3,847,579</u>	<u>18,794,787</u>
0	579,143	853,084
0	0	4,496,405
0	3,004,327	2,678,806
0	0	346,215
(1,758,336)	1,216,686	(541,650)
<u>(1,758,336)</u>	<u>4,800,156</u>	<u>7,832,860</u>
<u>\$4,111,832</u>	<u>\$8,647,735</u>	<u>\$26,627,647</u>

City of Fairborn, Ohio
*Reconciliation of Total Governmental Fund Balances to
 Net Assets of Governmental Activities
 December 31, 2008*

Total Governmental Fund Balances	\$7,832,860
 <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	13,488,717
Construction in Progress	1,069,291
Buildings	19,370,938
Improvements Other Than Buildings	1,840,142
Machinery and Equipment	3,774,979
Vehicles	5,198,667
Infrastructure	67,149,462
Accumulated Depreciation	<u>(41,389,714)</u>
Total	70,502,482
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.	
	640,499
Adjustment to reflect the consolidation of internal service fund activities related to enterprise activity.	
	(202,665)
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:	
Property Taxes	236,427
Municipal Income Taxes	3,194,108
Revenue in Lieu of Taxes	4,091,167
Intergovernmental	1,144,678
Special Assessments	1,897,575
Charges for Services	460,395
Interest	<u>59,457</u>
Total	11,083,807
In the Statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.	
	(20,405)
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	(168,874)
Notes Payable	(135,000)
General Obligation Bonds	(890,000)
Income Tax Revenue Bonds	(6,650,000)
Special Assessment Bonds	(1,960,000)
Capital Leases Payable	(804,147)
Intergovernmental Payable	(2,710,941)
Compensated Absences Payable	<u>(1,110,487)</u>
Total	<u>(14,429,449)</u>
<i>Net Assets of Governmental Activities</i>	<u><u>\$75,407,129</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, 2008

	General	Fire and EMS	General Bond Retirement
Revenues:			
Property Taxes	\$1,742,761	\$371,581	\$132,552
Other Local Taxes	747,851	0	0
Municipal Income Taxes	6,882,538	0	0
Revenue in Lieu of Taxes	0	0	0
Fines, Licenses and Permits	1,613,883	2,455	0
Charges for Services	2,311,569	877,142	54,013
Investment Earnings	769,980	0	114,824
Intergovernmental	2,285,719	738,618	16,671
Special Assessments	0	0	317,084
Other	177,700	18,918	0
<i>Total Revenues</i>	<u>16,532,001</u>	<u>2,008,714</u>	<u>635,144</u>
Expenditures:			
Current:			
General Government	6,211,079	0	68,321
Public Safety	5,652,175	6,168,168	0
Leisure Time Activities	202,120	0	0
Community Development	659,515	0	0
Transportation and Street Repair	0	0	0
Public Health and Welfare	0	0	0
Capital Outlay	303,937	56,665	0
Intergovernmental	0	0	0
Debt Service:			
Principal Retirement	4,842	2,385	467,412
Interest and Fiscal Charges	2,042	1,006	122,650
<i>Total Expenditures</i>	<u>13,035,710</u>	<u>6,228,224</u>	<u>658,383</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>3,496,291</u>	<u>(4,219,510)</u>	<u>(23,239)</u>
Other Financing Sources (Uses):			
Special Assessment Bonds Issued	0	0	0
Refunding Notes Issued	0	0	0
Inception of Capital Lease	115,048	56,665	0
Transfers-In	0	3,953,035	0
Transfers-Out	(4,623,389)	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>(4,508,341)</u>	<u>4,009,700</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	(1,012,050)	(209,810)	(23,239)
<i>Fund Balances (Deficit) at Beginning of Year</i>	<u>5,711,404</u>	<u>(44,719)</u>	<u>369,454</u>
<i>Fund Balances (Deficit) at End of Year</i>	<u><u>\$4,699,354</u></u>	<u><u>(\$254,529)</u></u>	<u><u>\$346,215</u></u>

See accompanying notes to the basic financial statements

Tax Increment Financing	Nonmajor Governmental Funds	Total Governmental Funds
\$0	\$142,282	\$2,389,176
0	92,800	840,651
0	3,312,117	10,194,655
294,409	0	294,409
0	787,780	2,404,118
0	126,118	3,368,842
0	115,252	1,000,056
0	3,246,593	6,287,601
0	0	317,084
18,371	195,780	410,769
312,780	8,018,722	27,507,361
9,751	491,491	6,780,642
0	699,015	12,519,358
0	4,045	206,165
0	256,108	915,623
0	1,123,628	1,123,628
0	79,775	79,775
0	4,185,230	4,545,832
195,085	0	195,085
0	1,066,063	1,540,702
85,965	414,183	625,846
290,801	8,319,538	28,532,656
21,979	(300,816)	(1,025,295)
0	280,000	280,000
0	135,000	135,000
0	0	171,713
0	886,135	4,839,170
(210,982)	(4,799)	(4,839,170)
(210,982)	1,296,336	586,713
(189,003)	995,520	(438,582)
(1,569,333)	3,804,636	8,271,442
(\$1,758,336)	\$4,800,156	\$7,832,860

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, 2008*

Net Change in Fund Balances - Total Governmental Funds (\$438,582)

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

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

Capital Outlay	4,901,218	
Depreciation	(2,750,111)	
Excess of Capital Outlay and Capital Contributions over Depreciation Expense		2,151,107

Assets donated by developers:

Capital Outlay		160,771
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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		(303,426)
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Some capital additions were financed through capital leases. In governmental funds, a capital lease arrangement is considered a source of financing, but in the Statement of Net Assets, the lease obligation is reported as a liability.

(291,906)

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

General Obligation Bonds	190,000	
Income Tax Revenue Bonds	920,000	
Special Assessment Bonds	332,412	
Capital Leases Payable	114,773	
Long-Term Intergovernmental Payable	195,085	
		1,752,270

The Internal Service Funds used by management to charge the costs of equipment repairs and maintenance, information technology services, and payments of employee assistance programs to individual funds, is reported in the Statement of Activities.

(42,573)

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	11,386	
Municipal Income Taxes	2,385,215	
Revenue in Lieu of Taxes	(294,409)	
Investment Earnings	59,457	
Charges for Services	381,887	
Intergovernmental	(2,465)	
Special Assessments	(85,542)	
		2,455,529

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.

Refunding Notes	(135,000)	
Special Assessment Bonds	(280,000)	
		(\$415,000)

(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, 2008
(continued)*

In the statement of activities, interest accrued on outstanding bonds is recognized 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 expenditures is reported when the bonds are issued.

Amortization of Premium on General Obligation Bond	\$28,145	
Accrued Interest	<u>24,432</u>	52,577

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>(90,433)</u>
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Change in Net Assets of Governmental Activities \$4,990,334

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, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$1,748,000	\$1,874,000	\$1,742,761	(\$131,239)
Other Local Taxes	686,315	670,000	664,510	(5,490)
Municipal Income Taxes	7,961,933	7,772,666	7,482,319	(290,347)
Fines, Licenses and Permits	1,808,414	1,765,425	1,664,034	(101,391)
Charges for Services	2,332,887	2,277,431	2,326,933	49,502
Investment Earnings	409,740	400,000	516,236	116,236
Intergovernmental	2,116,673	2,066,356	2,401,234	334,878
Other	133,265	130,097	148,540	18,443
<i>Total Revenues</i>	17,197,227	16,955,975	16,946,567	(9,408)
Expenditures:				
Current:				
General Government	5,293,533	6,596,009	6,228,582	367,427
Public Safety	6,027,325	5,879,815	5,714,945	164,870
Leisure Time Activities	220,350	221,664	214,297	7,367
Community Development	719,014	722,049	687,223	34,826
Capital Outlay	0	205,808	188,889	16,919
<i>Total Expenditures</i>	12,260,222	13,625,345	13,033,936	591,409
<i>Excess of Revenues Over Expenditures</i>	4,937,005	3,330,630	3,912,631	582,001
Other Financing Sources (Uses):				
Advances-In	36,764	36,764	36,764	0
Transfers-In	97,780	97,780	0	(97,780)
Transfers-Out	(5,709,340)	(4,680,643)	(4,623,389)	57,254
<i>Total Other Financing Sources (Uses)</i>	(5,574,796)	(4,546,099)	(4,586,625)	(40,526)
<i>Net Change in Fund Balance</i>	(637,791)	(1,215,469)	(673,994)	541,475
<i>Fund Balance at Beginning of Year</i>	4,510,646	4,510,646	4,510,646	0
<i>Prior Year Encumbrances Appropriated</i>	86,632	86,632	86,632	0
<i>Fund Balance at End of Year</i>	\$3,959,487	\$3,381,809	\$3,923,284	\$541,475

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, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property Taxes	\$404,000	\$404,000	\$371,581	(\$32,419)
Fines, Licenses and Permits	1,171	1,200	2,455	1,255
Charges for Services	1,150,528	1,179,421	1,160,590	(18,831)
Intergovernmental	649,123	665,424	721,768	56,344
Other	10,030	10,282	18,898	8,616
<i>Total Revenues</i>	<u>2,214,852</u>	<u>2,260,327</u>	<u>2,275,292</u>	<u>14,965</u>
Expenditures:				
Current:				
Public Safety	<u>6,129,765</u>	<u>6,224,118</u>	<u>6,195,111</u>	<u>29,007</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(3,914,913)</u>	<u>(3,963,791)</u>	<u>(3,919,819)</u>	<u>43,972</u>
Other Financing Sources:				
Transfers-In	<u>3,910,587</u>	<u>4,008,791</u>	<u>3,953,035</u>	<u>(55,756)</u>
<i>Net Change in Fund Balance</i>	(4,326)	45,000	33,216	(11,784)
<i>Fund Balance at Beginning of Year</i>	2	2	2	0
<i>Prior Year Encumbrances Appropriated</i>	<u>5,118</u>	<u>5,118</u>	<u>5,118</u>	<u>0</u>
<i>Fund Balance (Deficit) at End of Year</i>	<u><u>\$794</u></u>	<u><u>\$50,120</u></u>	<u><u>\$38,336</u></u>	<u><u>(\$11,784)</u></u>

See accompanying notes to the basic financial statements

City of Fairborn, Ohio
Statement of Fund Net Assets
Proprietary Funds
December 31, 2008

	Enterprise Funds				Internal Service Funds
	Water	Sewer	Sanitation	Total	
Assets:					
Current Assets					
Equity in Pooled Cash and Cash Equivalents	\$2,837,316	\$6,736,173	\$662,142	\$10,235,631	\$572,788
Restricted Cash and Cash Equivalents	62,308	62,308	62,308	186,924	0
Accounts Receivable	298,375	447,474	218,276	964,125	10
Interfund Receivable	2,834	1,592	0	4,426	27,699
Materials and Supplies Inventory	151,898	25,154	0	177,052	83,993
Intergovernmental Receivables	0	0	0	0	21,210
Special Assessments Receivable	0	140,000	0	140,000	0
<i>Total Current Assets</i>	<u>3,352,731</u>	<u>7,412,701</u>	<u>942,726</u>	<u>11,708,158</u>	<u>705,700</u>
Non-current Assets					
Nondepreciable Capital Assets	1,798,686	2,229,752	0	4,028,438	28,832
Depreciable Capital Assets, Net	6,780,097	14,789,543	251,923	21,821,563	311,919
<i>Total Non-current Assets</i>	<u>8,578,783</u>	<u>17,019,295</u>	<u>251,923</u>	<u>25,850,001</u>	<u>340,751</u>
<i>Total Assets</i>	<u>11,931,514</u>	<u>24,431,996</u>	<u>1,194,649</u>	<u>37,558,159</u>	<u>1,046,451</u>
Liabilities:					
Current Liabilities					
Accounts Payable	32,694	52,227	799	85,720	21,448
Contracts Payable	43,049	262,568	0	305,617	0
Retainage Payable	60,652	144,061	0	204,713	0
Accrued Wages Payable	22,940	32,553	2,130	57,623	16,619
Compensated Absences Payable	42,357	68,373	288	111,018	39,156
Intergovernmental Payable	33,354	58,417	2,368	94,139	26,916
Refundable Deposits	62,308	62,308	62,308	186,924	0
Interfund Payable	2,584	1,752	423	4,759	218
Notes Payable	245,000	0	0	245,000	0
Accrued Interest Payable	64,393	119,008	0	183,401	0
General Obligation Bonds Payable	346,250	473,750	0	820,000	0
Landfill Postclosure Costs Payable	0	0	38,632	38,632	0
Capital Lease Payable	472	0	0	472	24,592
Special Assessment Bonds Payable	0	10,000	0	10,000	0
OPWC Loans Payable	16,685	0	0	16,685	0
OWDA Loans Payable	0	402,024	0	402,024	0
<i>Total Current Liabilities</i>	<u>\$972,738</u>	<u>\$1,687,041</u>	<u>\$106,948</u>	<u>\$2,766,727</u>	<u>\$128,949</u>

(continued)

City of Fairborn, Ohio
Statement of Fund Net Assets
Proprietary Funds
December 31, 2008
(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	1,619,112	2,396,812	0	4,015,924	0
Special Assessment Bonds Payable	0	130,000	0	130,000	0
OPWC Loans Payable	100,115	0	0	100,115	0
OWDA Loans Payable	0	1,252,220	0	1,252,220	0
Landfill Postclosure Costs Payable	0	0	347,688	347,688	0
Capital Leases Payable	4,767	0	0	4,767	79,118
Compensated Absences Payable	39,042	35,155	0	74,197	17,844
<i>Total Long-Term Liabilities</i>	<u>5,250,036</u>	<u>10,962,187</u>	<u>347,688</u>	<u>16,559,911</u>	<u>96,962</u>
<i>Total Liabilities</i>	<u>6,222,774</u>	<u>12,649,228</u>	<u>454,636</u>	<u>19,326,638</u>	<u>225,911</u>
Net Assets:					
Invested in Capital Assets, Net of Related Debt	4,334,436	7,114,502	251,923	11,700,861	237,041
Unrestricted	1,374,304	4,668,266	488,090	6,530,660	583,499
<i>Total Net Assets</i>	<u>\$5,708,740</u>	<u>\$11,782,768</u>	<u>\$740,013</u>	<u>18,231,521</u>	<u>\$820,540</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>\$202,665</u>	
Net assets of Business-Type Activities				<u>\$18,434,186</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, 2008

	Enterprise Funds				Internal Service Funds
	Water	Sewer	Sanitation	Total	
Operating Revenues:					
Charges for Services	\$3,332,164	\$5,326,661	\$2,396,874	\$11,055,699	\$1,971,453
Tap-In-Fees	78,320	139,490	0	217,810	0
Other	27,988	14,004	0	41,992	1,773
<i>Total Operating Revenues</i>	<u>3,438,472</u>	<u>5,480,155</u>	<u>2,396,874</u>	<u>11,315,501</u>	<u>1,973,226</u>
Operating Expenses:					
Personal Services	954,527	1,424,761	76,510	2,455,798	783,766
Contractual Services	1,233,893	1,816,016	1,980,145	5,030,054	334,447
Materials and Supplies	130,006	191,425	20,519	341,950	780,685
Depreciation	763,070	857,242	41,676	1,661,988	24,942
<i>Total Operating Expenses</i>	<u>3,081,496</u>	<u>4,289,444</u>	<u>2,118,850</u>	<u>9,489,790</u>	<u>1,923,840</u>
<i>Operating Income</i>	<u>356,976</u>	<u>1,190,711</u>	<u>278,024</u>	<u>1,825,711</u>	<u>49,386</u>
Non-Operating Revenues (Expenses):					
Investment Earnings	36,184	77,340	0	113,524	14,642
Intergovernmental	5,813	3,170	0	8,983	0
Interest and Fiscal Charges	(212,399)	(446,950)	0	(659,349)	(4,064)
<i>Total Non-Operating Revenues (Expenses)</i>	<u>(170,402)</u>	<u>(366,440)</u>	<u>0</u>	<u>(536,842)</u>	<u>10,578</u>
<i>Change in Net Assets</i>	186,574	824,271	278,024	1,288,869	59,964
<i>Net Assets at Beginning of Year Restated (See Note 3)</i>	<u>5,522,166</u>	<u>10,958,497</u>	<u>461,989</u>		<u>760,576</u>
<i>Net Assets at End of Year</i>	<u>\$5,708,740</u>	<u>\$11,782,768</u>	<u>\$740,013</u>		<u>\$820,540</u>
<i>Adjustments to reflect the consolidation of Internal Service Funds activity related to Enterprise Funds</i>				<u>47,928</u>	
<i>Change in net assets of business-type activities</i>				<u>\$1,336,797</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, 2008

	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	\$3,374,566	\$5,411,952	\$2,366,394	\$11,152,912	\$0
Cash Received From Interfund Services Provided	0	0	0	0	2,020,803
Cash Received From Other Operating Revenues	27,958	13,954	0	41,912	1,773
Utility Deposits Received	27,700	27,700	27,700	83,100	0
Utility Deposits Returned	(25,220)	(25,220)	(25,220)	(75,660)	0
Cash Received From Other Non-Operating Revenues	2,979	1,578	0	4,557	0
Cash Payments for Employee Services and Benefits	(963,318)	(1,424,568)	(76,619)	(2,464,505)	(794,026)
Cash Payments to Suppliers	(1,349,327)	(2,191,479)	(2,432,929)	(5,973,735)	(1,132,201)
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>1,095,338</u>	<u>1,813,917</u>	<u>(140,674)</u>	<u>2,768,581</u>	<u>96,349</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	(1,320,697)	(1,415,872)	0	(2,736,569)	(61,079)
Note Proceeds	3,732,000	7,148,000	0	10,880,000	0
Notes Principal Payments	(2,522,000)	(4,078,000)	0	(6,600,000)	0
Notes Interest Payments	(117,817)	(198,189)	0	(316,006)	0
General Obligation Bond Principal Payments	(338,750)	(466,250)	0	(805,000)	0
General Obligation Bond Interest Payments	(93,017)	(129,852)	0	(222,869)	0
Special Assessment Bond Principal Payments	0	(10,000)	0	(10,000)	0
Special Assessment Bond Interest Payments	0	(6,100)	0	(6,100)	0
Loans Payable Principal Payments	(16,685)	(380,453)	0	(397,138)	0
Loans Payable Interest Payments	0	(96,511)	0	(96,511)	0
Capital Lease Principal Payments	(230)	(20,228)	0	(20,458)	(16,483)
Capital Lease Interest Payments	(97)	(922)	0	(1,019)	(4,064)
<i>Net Cash Provided by (Used for) Capital and Related Financing Activities</i>	<u>(677,293)</u>	<u>355,623</u>	<u>0</u>	<u>(321,670)</u>	<u>(81,626)</u>
Cash Flows from Investing Activities:					
Interest	42,501	79,635	0	122,136	14,760
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	460,546	2,249,175	(140,674)	2,569,047	29,483
<i>Cash and Cash Equivalents at Beginning of Year</i>	<u>2,439,078</u>	<u>4,549,306</u>	<u>865,124</u>	<u>7,853,508</u>	<u>543,305</u>
<i>Cash and Cash Equivalents at End 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>

(Continued)

City of Fairborn, Ohio
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2008
(Continued)

	Enterprise Funds				Internal Service Fund
	Water	Sewer	Sanitation	Total	
Reconciliation of Operating Income to Net Cash Provided by (Used for) Operating Activities:					
Operating Income	\$356,976	\$1,190,711	\$278,024	\$1,825,711	\$49,386
Adjustments to Reconcile Operating Income to Net Cash Provided by (Used for) Operating Activities:					
Depreciation	763,070	857,242	41,676	1,661,988	24,942
Landfill Closure and Postclosure Costs	0	0	(38,873)	(38,873)	0
Changes in Assets and Liabilities:					
(Increase) Decrease in Accounts Receivable	(35,948)	(54,249)	(30,480)	(120,677)	74,277
Increase in Intergovernmental Receivable	2,979	1,578	0	4,557	(21,210)
(Increase) Decrease in Materials and Supplies Inventory	(28,274)	29,767	0	1,493	25,422
Decrease in Prepaid Items	4,555	6,425	0	10,980	978
Increase in Interfund Receivable	0	0	0	0	(3,717)
Increase (Decrease) in Accounts Payable	15,230	(5,009)	(393,414)	(383,193)	(43,386)
Increase (Decrease) in Contracts Payable	22,306	(3,572)	0	18,734	(11,359)
Decrease in Accrued Wages Payable	(43,996)	(69,355)	(2,519)	(115,870)	(14,624)
Increase in Intergovernmental Payable	33,354	58,417	2,368	94,139	17,712
Increase in Refundable Deposits Payable	2,480	2,480	2,480	7,440	0
Increase (Decrease) in Interfund Payable	755	651	(219)	1,187	(83)
Increase (Decrease) in Compensated Absences Payable	1,851	16,331	283	18,465	(1,989)
Decrease in Judgements Payable	0	(217,500)	0	(217,500)	0
Net Cash Provided by (Used for) Operating Activities	<u>\$1,095,338</u>	<u>\$1,813,917</u>	<u>(\$140,674)</u>	<u>\$2,768,581</u>	<u>\$96,349</u>

See accompanying notes to the basic financial statements

City of Fairborn, Ohio
Statement of Fiduciary Assets and Liabilities
Agency Fund
December 31, 2008

Assets:	
Cash and Cash Equivalents in Segregated Accounts	<u><u>\$382,291</u></u>
Liabilities:	
Undistributed Monies	<u><u>\$382,291</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, 2008

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, 2008

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, 2008

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. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain City functions or activities. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. 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 all financial resources except those required to be accounted for in another fund. The General Fund balance is available to the City for any purpose provided it is expended or transferred according to the general laws of Ohio and the Charter of the City.

Fire and EMS Fund – 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 billed for services and related intergovernmental revenue.

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, 2008

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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, 2008

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, 2008

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 sixty days of year-end.

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include property taxes, municipal income taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes is recognized in the year for which the taxes are levied (See Note 6). Revenue from municipal income taxes is recognized in the year in which the exchange on which the tax is imposed takes place. 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, 2008

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property taxes for which there is an enforceable legal claim as of December 31, 2008, but were levied to finance 2009 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 2008, the City invested in Federal Home Loan Mortgage Corporation Bonds, Federal Home Loan Bank Bonds, Federal Farm Credit Bank Notes, Fifth Third Institutional Money Market Mutual Fund, First American Government Obligations Money Market Mutual Fund, 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, 2008.

The City Council has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the General Fund during 2008 amounted to \$769,980, which includes \$614,261 assigned from other funds.

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

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.

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

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.

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 five thousand dollars. 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.

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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, capital leases and long-term intergovernmental payables 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.

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Bond Premium

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 issued.

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.

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. As a result, encumbrances are recorded as a reservation of fund balance.

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.

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after 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.

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. Budgetary information has not been presented for Federal Emergency Management Agency Fund because the City did not anticipate any revenues or expenditures in 2008 and none occurred. 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.).

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

NOTE 3 – CHANGE IN ACCOUNTING PRINCIPLE AND CORRECTION OF AN ERROR

Change in Accounting Principle

For 2008, the City has implemented Governmental Accounting Standards Board (GASB) Statement No. 49, “Accounting and Financial Reporting for Pollution Remediation Obligations.” GASB Statement No. 49 provides guidance on how to calculate and report the costs and obligations associated with pollution cleanup efforts. The implementation of this statement did not result in any change to the financial statements.

Correction of an Error

During 2008, it was determined that the City should have recognized a revenue in lieu of taxes receivable and a related long-term obligation. Accordingly, the City changed the accounting treatment applied to payment in lieu of taxes transactions related to tax increment financing agreements, wherein the City has agreed to construct infrastructure in exchange for payments in lieu of taxes from developers. The City views these transactions as exchange transactions and has recognized revenue and the related receivable in the year the exchange takes place. In previous years, the City viewed these transactions as a non-exchange transactions. The City has also recognized the long term intergovernmental payable (amounts due to surrounding school districts to reimburse them for the loss of tax revenues) associated with these agreements.

Also, during 2008, errors in the prior year calculation of special assessments receivable, capital assets and equity in pooled cash and cash equivalents were discovered.

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

NOTE 3 – CHANGE IN ACCOUNTING PRINCIPLE AND CORRECTION OF AN ERROR (continued)

These restatements had the following effect on net assets at December 31, 2007 as previously reported.

	Governmental Activities	Business- type Activities	Water Fund	Sewer Fund
Net Assets December 31, 2007	\$70,017,109	\$16,947,389	\$5,772,166	\$10,558,497
Equity in Pooled Cash and Cash Equivalents	0	0	(250,000)	250,000
Capital Assets	1,052,426	0	0	0
Revenue in Lieu of Taxes Receivable	4,385,576	0		0
Long-Term Intergovernmental Payable	(2,906,026)	0		0
Special Assessments Receivable	(2,132,290)	150,000		150,000
Restated Net Assets December 31, 2007	<u>\$70,416,795</u>	<u>\$17,097,389</u>	<u>\$5,522,166</u>	<u>\$10,958,497</u>

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 and Fire and EMS Funds are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget.

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

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. 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).

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

NOTE 4 – BUDGETARY BASIS OF ACCOUNTING (continued)

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
GAAP Basis	(\$1,012,050)	(\$209,810)
Revenue Accruals	558,995	209,913
Expenditure Accruals	235,315	117,768
Encumbrances	(233,541)	(84,655)
Change in Fair Value of Investments - 2008	(298,426)	0
Change in Fair Value of Investments - 2007	123,353	0
Agency Fund Allocation - 2008	(84,404)	0
Advances	36,764	0
Budget Basis	(\$673,994)	\$33,216

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.

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:

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

NOTE 5 – DEPOSITS AND INVESTMENTS (continued)

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 trading 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;
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.

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

NOTE 5 – DEPOSITS AND INVESTMENTS (continued)

Investments

As of December 31, 2008, the City had the following investments:

	Fair Value	Maturity Less Than 1 Year	Maturity 3-5 Years	Moody Rating	Percent of Total Investments
Federal Home Loan Mortgage Corporation Bond	\$454,216	\$0	\$454,216	Aaa	2.07%
Federal Home Loan Bank Bonds	11,165,390	0	11,165,390	Aaa	50.77%
Federal Farm Credit Bank Notes	512,030	0	512,030	Aaa	2.33%
Fifth Third Institutional Money					
Market Mutual Funds	1,678,796	1,678,796	0	Aaa	7.63%
First American Government Obligations Money					
Market Mutual Fund	5,751	5,751	0	Aaa	0.03%
STAROhio	8,174,178	8,174,178	0	Aaam	N/A
	<u>\$21,990,361</u>	<u>\$9,858,725</u>	<u>\$12,131,636</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.

Credit Risk

The money market mutual funds carry a Aaa rating by Moody's. STAROhio carries a rating of AAAM by Standard and Poors. Ohio law requires that STAROhio maintain the highest rating provided 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.

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

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 2008 for real and public utilities property taxes represents collections of 2007 taxes. Property tax payments received during 2008 for tangible personal property (other than public utility property) are for 2008 taxes.

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

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. 2008 public utility property taxes became a lien December 31, 2007, are levied after October 1, 2008, and are collected in 2009 with real property taxes.

2008 tangible personal property taxes are levied after October 1, 2007, on the values as of December 31, 2007. Collections are made in 2008. Tangible personal property assessments are being phased out – the assessment percentage for all property including inventory for 2008 is 6.25 percent. This will be reduced to zero for 2009. Payments 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 payments 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, 2008, was \$9.50 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2008 property tax receipts were based are as follows:

<u>Category</u>	<u>Assessed Value</u>
Real Estate	\$513,328,920
Public Utility Personal	11,790,182
General Business Personal	15,057,095
Totals	<u>\$540,176,197</u>

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

NOTE 6 – PROPERTY TAXES (continued)

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, 2008, 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 2008 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.

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 2008, 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, 2008, 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.

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

NOTE 8 – RECEIVABLES (continued)

Property and income taxes, although ultimately collectible, include some portion of delinquents that will not be collected within one year. Revenue in lieu of taxes receivable will be received over the designated period established by the agreements with \$3,735,400 expected to be collected in more than one year. Special assessments expected to be collected in more than one year in the General Bond Retirement Fund amount to \$1,561,902 and in the Sewer Fund the amount is \$130,000. The City has \$39,368 of delinquent special assessments at December 31, 2008.

A summary of the principal items of intergovernmental receivables follows:

Governmental Activities:	Amount
Governmental Funds	
Local Government	\$717,117
Estate Tax	76,045
Homestead and Rollback Exemption	113,802
Gasoline Tax	472,096
Motor Vehicle Tax	99,609
Jail Diversion Grant	21,347
Ohio TF1 Grant	21,081
CDBG Grant	53,153
ODOT Grant	156,240
Issue II Grant	102,152
STP/CMAQ Grant	126,187
Wetland Reserve Grant	9,248
FEMA Grant	62,800
City of Beavercreek	23,445
Greene County Law Library	9,704
Beavercreek Township	2,038
Greene County	6,587
Miscellaneous	145
Total Governmental Funds	2,072,796
Internal Service Funds	
Village of Enon	615
Fairborn City Schools	20,595
Total Internal Service Funds	21,210
Total Intergovernmental Receivable	\$2,094,006

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 amount owed to the City and records a long-term payable for the amount due to the School District.

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

NOTE 8 – RECEIVABLES (continued)

A receivable for the amount of the payments has been recorded in the Tax Increment Financing Capital Project Fund with a corresponding credit to deferred revenue. On a full accrual basis, the entire amount of the receivable is recorded as revenue in the year of the exchange.

NOTE 9 – CAPITAL ASSETS

Changes in general capital assets for the year ended December 31, 2008, were as follows:

	Restated Balance At <u>12/31/2007</u>	<u>Additions</u>	<u>Deletions</u>	Balance At <u>12/31/2008</u>
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$13,348,854	\$139,863	\$0	\$13,488,717
Construction in Progress	<u>143,013</u>	<u>1,010,459</u>	<u>(84,181)</u>	<u>1,069,291</u>
Total Capital Assets, Not Being Depreciated:	<u>13,491,867</u>	<u>1,150,322</u>	<u>(84,181)</u>	<u>14,558,008</u>
Depreciable Capital Assets:				
Buildings	19,354,311	16,627	0	19,370,938
Improvements Other Than Buildings	1,773,748	66,394	0	1,840,142
Machinery and Equipment	2,526,139	1,264,440	(15,600)	3,774,979
Vehicles	5,171,681	228,739	(201,753)	5,198,667
Infrastructure	<u>65,411,309</u>	<u>2,419,648</u>	<u>(681,495)</u>	<u>67,149,462</u>
Total Depreciable Capital Assets	<u>94,237,188</u>	<u>3,995,848</u>	<u>(898,848)</u>	<u>97,334,188</u>
Less Accumulated Depreciation:				
Buildings	(3,929,724)	(468,751)	0	(4,398,475)
Improvements Other Than Buildings	(1,140,701)	(50,065)	0	(1,190,766)
Machinery and Equipment	(1,851,042)	(230,186)	15,600	(2,065,628)
Vehicles	(2,502,337)	(330,134)	177,311	(2,655,160)
Infrastructure	<u>(29,811,221)</u>	<u>(1,670,975)</u>	<u>402,511</u>	<u>(31,079,685)</u>
Total Accumulated Depreciation	<u>(39,235,025)</u>	<u>(2,750,111)</u>	<u>595,422</u>	<u>(41,389,714)</u>
Depreciable Capital Assets, Net	<u>55,002,163</u>	<u>1,245,737</u>	<u>(303,426)</u>	<u>55,944,474</u>
Governmental Activities Capital Assets, Net	<u>\$68,494,030</u>	<u>\$2,396,059</u>	<u>(\$387,607)</u>	<u>\$70,502,482</u>

Additions to capital assets being depreciated include \$160,771 in assets donated by developers for the year ended December 31, 2008.

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

NOTE 9 – CAPITAL ASSETS (continued)

Depreciation expense was charged to governmental programs as follows:

General Government	\$1,927,321
Public Security	648,060
Leisure Time Activities	95,252
Community Development	20,490
Transportation	58,484
Public Health and Welfare	504
Total Depreciation Expense	<u>\$2,750,111</u>

Capital assets activities of the business-type activities for the year ended December 31, 2008, was as follows:

	Balance At 12/31/2007	Additions	Deletions	Balance At 12/31/2008
Business-type Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$165,741	\$0	\$0	\$165,741
Construction in Progress	1,403,736	2,488,861	(29,900)	3,862,697
Total Capital Assets, Not Being Depreciated:	<u>1,569,477</u>	<u>2,488,861</u>	<u>(29,900)</u>	<u>4,028,438</u>
Depreciable Capital Assets				
Buildings	18,793,187	0	0	18,793,187
Improvements Other Than Buildings	1,972,488	0	0	1,972,488
Machinery and Equipment	5,836,533	147,247	(15,054)	5,968,726
Vehicles	1,010,549	210,769	(69,152)	1,152,166
Infrastructure	21,492,464	192,449	0	21,684,913
Total Depreciable Capital Assets	<u>49,105,221</u>	<u>550,465</u>	<u>(84,206)</u>	<u>49,571,480</u>
Less Accumulated Depreciation:				
Buildings	(6,736,556)	(497,892)	0	(7,234,448)
Improvements Other Than Buildings	(680,614)	(186,975)	0	(867,589)
Machinery and Equipment	(4,691,482)	(309,458)	15,054	(4,985,886)
Vehicles	(587,387)	(66,093)	69,152	(584,328)
Infrastructure	(13,476,096)	(601,570)	0	(14,077,666)
Total Accumulated Depreciation	<u>(26,172,135)</u>	<u>(1,661,988)</u>	<u>84,206</u>	<u>(27,749,917)</u>
Depreciable Capital Assets, Net	<u>22,933,086</u>	<u>(1,111,523)</u>	<u>0</u>	<u>21,821,563</u>
Business-type Activities Capital Assets, Net	<u>\$24,502,563</u>	<u>\$1,377,338</u>	<u>(\$29,900)</u>	<u>\$25,850,001</u>

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

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, survivor and death 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, 2008, members in state and local classifications contributed 10.0 percent of covered payroll and public safety and law enforcement members contributed 10.1 percent.

The City's contribution rate for 2008 was 14.0 percent of covered payroll. The Ohio Revised Code provides statutory authority for member and employer contributions.

The City's required contributions for pension obligations to the traditional pension and combined plans for the years ended December 31, 2008, 2007, and 2006 were \$439,780, \$987,441, and \$954,292, respectively; 87.77 percent has been contributed for 2008 and 100 percent for 2007 and 2006. Contributions to the member-directed plan for 2008 were \$17,047 made by the City and \$12,177 made by plan members.

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

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 to fund pension obligations. The City’s contribution was 19.5 percent for police officers and 24.0 percent for firefighters. Contribution rates are established by State statute. For 2008, a portion of the City’s contribution equal to 6.75 percent of covered payroll was allocated to fund the post-employment health care plan. The City’s contributions to OP&F for police and firefighters were \$402,902 and \$701,121 for the year ended December 31, 2008, \$560,733 and \$859,281 for the year ended December 31, 2007, and \$536,811 and \$786,354 for the year ended December 31, 2006. 70.30 percent for police and 73.24 percent for firefighters has been contributed for 2008. The full amount has been contributed for 2007 and 2006.

NOTE 11 - POST EMPLOYMENT BENEFITS

Ohio Public Employees Retirement System

Plan Description – OPERS maintains a cost-sharing multiple-employer defined benefit post-employment health care plan for qualifying members of both the traditional pension and combined plans. Members of the member-directed plan do not qualify for ancillary benefits, including post-employment health care. The plan includes a medical plan, a prescription drug program, and Medicare Part B premium reimbursement.

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 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, 2008

NOTE 11 - POST EMPLOYMENT BENEFITS (continued)

Funding Policy – The post-employment health care plan was established under, and is administered in accordance with, Internal Revenue Code 401(h). State Statute requires that public employers fund post-employment health care through their contributions to OPERS. A portion of each employer’s contribution to the traditional pension and combined plans 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 employees. In 2008, state and local employers contributed at a rate of 14.0 percent of covered payroll. Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding post-employment health care benefits. For 2008, the amount of the employer contributions which was allocated to fund post-employment health care was 7.0 percent of covered payroll.

The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The City’s contributions allocated to fund post-employment health care benefits for the years ended December 31, 2008, 2007, and 2006 were \$439,780, \$175,930, and \$216,643, respectively; 87.77 percent has been contributed for 2008 and 100 percent for 2007 and 2006.

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 as of January 1, 2006, January 1, 2007, and January 1, 2008, which 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.

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

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 – OP&F's post-employment health care plan was established and is administered as an Internal Revenue Code 410(h) account within the defined benefit plan, under the authority granted by the Ohio Revised Code to the OP&F Board of Trustees. The Ohio Revised Code sets the contribution rates for participating employers and for plan members to the OP&F. 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 Board of Trustees is authorized to allocate a portion of the total employer contributions made to the pension plan to the 401(h) account as the employer contribution for retiree health care benefits. For the year ended December 31, 2008, 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 Section 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.

The City's contributions to OP&F which were allocated to fund post-employment health care benefits for police and firefighters were \$213,301 and \$274,352 for the year ended December 31, 2008, \$194,014 and \$241,458 for the year ended December 31, 2007, and \$213,114 and \$253,992 for the year ended December 31, 2006. The full amount has been contributed for 2007 and 2006. 70.30 percent has been contributed for police and 73.24 percent has been contributed for firefighters for 2008.

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

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 full-time (30+ hours per week) employees. The non-union, FOP and AFSCME personnel can select from one of three medical plans, either Anthem PPO plan (base), Anthem PPO (buy-up) or an Anthem Health Savings Account (HSA).

The 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.

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

NOTE 13 – SHORT-TERM OBLIGATIONS

Changes in short-term obligations during 2008 were as follows:

Types/Issues	Balance at 12/31/2007	Increases	Decreases	Balance at 12/31/2008
<u>Governmental Activities</u>				
4.65% - Commerce Boulevard Extension Tax Increment Financing Bond Anticipation Note	\$1,600,000	\$1,600,000	\$1,600,000	\$1,600,000
4% - Fire Improvement Bond Anticipation Note	500,000	0	500,000	0
4.5 % - Sidewalk Special Assessment Bond Anticipation Note	370,000	0	370,000	0
4.25% - Police Dispatch Bond Anticipation Note	0	650,000	325,000	325,000
4% - Roadway Improvement Tax Increment Financing Bond Anticipation Note	0	161,000	0	161,000
3.30% - Roadway Improvement Tax Increment Financing Bond Anticipation Note	0	719,000	440,000	279,000
3.25% - Special Assessment Bond Anticipation Note	0	125,000	0	125,000
Total Governmental Funds	<u>\$2,470,000</u>	<u>\$3,255,000</u>	<u>\$3,235,000</u>	<u>\$2,490,000</u>
<u>Business-Type Activities:</u>				
4.50% - Water Improvement Bond Anticipation Note	\$600,000	\$0	\$600,000	\$0
4.25% - Water Improvement Bond Anticipation Note	1,922,000	0	1,922,000	0
4.25% - Sewer Improvement Bond Anticipation Note	4,078,000	0	4,078,000	0
2.50% - Water Various Improvement Bond Anticipation Note	0	245,000	0	245,000
Total Business-type Activities	<u>\$6,600,000</u>	<u>\$245,000</u>	<u>\$6,600,000</u>	<u>\$245,000</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, 2008

NOTE 14 – LONG-TERM OBLIGATIONS

The summary of changes in long-term obligations of the governmental activities of the City during 2008 follows:

Types/Issues	Restated Balance at 12/31/2007	Increases	Decreases	Balance at 12/31/2008	Due Within One Year
<u>Notes Payable:</u>					
2008 3.25% - Sidewalk Special Assessment Bond Anticipation Note \$260,000	\$0	\$135,000	\$0	\$135,000	\$0
<u>Voted General Obligation Bonds:</u>					
2001 3.00 to 4.20% Fairborn Library Refunding \$1,370,000	555,000	0	135,000	420,000	135,000
<u>Unvoted General Obligation Bonds:</u>					
1999 5.00% Street Improvement \$250,000	60,000	0	30,000	30,000	30,000
2003 3.50 to 4.75% Municipal Court Building Renovations \$455,000	395,000	0	15,000	380,000	20,000
2004 2.00 to 3.50% Municipal Building \$100,000	70,000	0	10,000	60,000	10,000
Total Unvoted General Obligation Bonds	525,000	0	55,000	470,000	60,000
<u>Income Tax Revenue Bonds:</u>					
2005 3.00 to 4.50% Income Tax \$10,000,000 Premium	7,570,000 197,019	0 0	920,000 28,145	6,650,000 168,874	960,000 0
Total Income Tax Revenue Bonds	7,767,019	0	948,145	6,818,874	960,000
<u>Special Assessment Bonds with Governmental Commitment:</u>					
1988 7.50 to 7.60% Street Improvement \$1,520,000	75,000	0	75,000	0	0
1998 5.15% Commerce Center/Channingway \$1,160,000	780,000	0	55,000	725,000	55,000
2003 4.00 to 8.30% Dayton - Yellow Springs Improvement \$305,000	265,000	0	10,000	255,000	11,000
2006 4.00% Curb and Sidewalk \$505,000	415,000	0	100,000	315,000	100,000
2007 4.00% Curb and Sidewalk \$465,000	465,000	0	80,000	385,000	90,000
2008 3.75% Curb and Sidewalk \$280,000	0	280,000	0	280,000	50,000
2002 4.00% Curb and Sidewalk \$62,056	12,412	0	12,412	0	0
Total Speical Assessment Bonds	2,012,412	280,000	332,412	1,960,000	306,000
<u>Other Long-Term Obligations:</u>					
Capital Leases Payable	627,014	291,906	114,773	804,147	134,961
Intergovernmental Payable	2,906,026	0	195,085	2,710,941	188,034
Compensated Absences Payable	1,020,054	1,023,497	933,064	1,110,487	788,781
Total Other Long-Term Obligations	4,553,094	1,315,403	1,242,922	4,625,575	1,111,776
Total Governmental Activities	\$15,412,525	\$1,730,403	\$2,713,479	\$14,429,449	\$2,572,776

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

NOTE 14 – LONG-TERM OBLIGATIONS (continued)

The 2008 Sidewalk Special Assessment Bond Anticipation Note was issued on May 21, 2008, in the amount of \$260,000 for the purpose of constructing and repairing curbs, sidewalks and driveway approaches. The note was issued at a 3.25 percent interest rate and reached maturity on May 20, 2009. This note was refinanced prior to the issuance of the 2008 statements for \$135,000. This portion of the note was a long-term liability with the remaining \$125,000 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, 2008, \$420,000 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 will be 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 Street Improvement special assessment bonds were issued to finance the improvements to various roads in the City. The bonds reached final maturity during 2008 and were paid off 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, 2008

NOTE 14 – LONG-TERM OBLIGATIONS (continued)

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.

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 2002 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, 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 2008 were as follows:

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

NOTE 14 – LONG-TERM OBLIGATIONS (continued)

Types/Issues	Balance at 12/31/2007	Increases	Decreases	Balance at 12/31/2008	Due Within One Year
<u>Notes Payable:</u>					
2008 2.50% - Water Various Purpose Bond Anticipation \$3,487,000	\$0	\$3,487,000	\$0	\$3,487,000	\$0
2008 2.50% - Sewer Various Purpose Bond Anticipation \$7,148,000	0	7,148,000		7,148,000	0
Total Notes Payable	<u>0</u>	<u>10,635,000</u>	<u>0</u>	<u>10,635,000</u>	<u>0</u>
<u>General Obligation Bonds</u>					
2001 3.00 to 4.20% Water Utility Improvement Refunding Bonds \$1,980,000	810,000	0	192,500	617,500	195,000
Deferred Loss	(9,598)	0	(2,560)	(7,038)	0
2001 3.00 to 4.20% Sewer Utility Improvement Refunding Bonds \$1,980,000	810,000	0	192,500	617,500	195,000
Deferred Loss	(9,598)	0	(2,560)	(7,038)	0
2001 3.50 to 4.20% Water Various Purpose \$927,500	415,000	0	97,500	317,500	102,500
2001 3.50 to 4.20% Sewer Various Purpose \$927,500	415,000	0	97,500	317,500	102,500
2003 5.00% Sewer Various Purpose \$790,000	420,000	0	100,000	320,000	100,000
2004 2.00% Water Various Purpose \$1,218,750	1,086,150	0	48,750	1,037,400	48,750
2004 2.00% Sewer Various Purpose \$1,906,250	1,698,850	0	76,250	1,622,600	76,250
Total General Obligation Bonds	<u>5,635,804</u>	<u>0</u>	<u>799,880</u>	<u>4,835,924</u>	<u>820,000</u>
<u>Special Assessment Bonds with Governmental Commitment</u>					
2003 5.00% Sewer Various Purpose \$170,000	150,000	0	10,000	140,000	10,000
<u>Loans Payable</u>					
OPWC 0% Water \$334,216	133,485	0	16,685	116,800	16,685
1986 OWDA 8.97% Sewer \$1,138,302	292,777	0	89,342	203,435	97,356
1993 OWDA 8.97% Sewer \$2,519,598	888,720	0	159,977	728,743	168,405
1994 OWDA 8.97% Sewer \$200,279	66,234	0	12,334	53,900	12,774
1999 OWDA 8.97% Sewer \$1,672,365	786,966	0	118,800	668,166	123,489
Total Loans Payable	<u>2,168,182</u>	<u>0</u>	<u>397,138</u>	<u>1,771,044</u>	<u>418,709</u>
<u>Other Long-Term Obligations</u>					
Landfill Closure and Postclosure	424,952	0	38,632	386,320	38,632
Capital Leases	20,228	5,469	20,458	5,239	472
Compensated Absences	166,991	165,471	147,247	185,215	111,018
Total Other Long-Term Obligations	<u>612,171</u>	<u>170,940</u>	<u>206,337</u>	<u>576,774</u>	<u>150,122</u>
Total Business-type Activities	<u>\$8,566,157</u>	<u>\$10,805,940</u>	<u>\$1,413,355</u>	<u>\$17,958,742</u>	<u>\$1,398,831</u>

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

NOTE 14 – LONG-TERM OBLIGATIONS (continued)

The 2008 Water Various Purpose bond anticipation note was issued on May 20, 2008, in the amount of \$3,732,000 for various repairs, updates and construction to the City's water system. The note was issued at a 2.50 percent interest rate and reached maturity on May, 20, 2009. This note was refinanced prior to the issuance of the 2008 statements for \$3,487,000. 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.

The 2008 Sewer Various Purpose bond anticipation note was issued on May 20, 2008, in the amount of \$7,148,000 for for various repairs, updates and construction to the City's sewer system. The note was issued at a 2.5 percent interest rate and reached maturity on May 20, 2009. This note was refinanced prior to the issuance of the 2008 statements for \$7,148,000. 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, 2008, \$935,000 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, 2008, \$935,000 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.

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

NOTE 14 – LONG-TERM OBLIGATIONS (continued)

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.

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 \$116,800 in water system OPWC 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 water customer net revenues and are payable through 2016. Annual principal and interest payments on the loans are expected to require less than two percent of net revenues. The total principal remaining to be paid on the loans is \$116,800. Principal paid for the current year and total customer net revenues were \$16,685 and \$1,120,046, respectively.

The City has pledged future sewer customer revenues, net of specified operating expenses, to repay \$1,848,141 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 19 percent of net revenues. The total principal remaining to be paid on the loans is \$1,654,244. Principal paid for the current year and total customer net revenues were \$380,453 and \$2,047,953, respectively.

The City's overall legal debt margin was \$56,174,716 at December 31, 2008, and the unvoted debt margin was \$29,165,906.

A summary of the City's future long-term debt funding requirements including principal and interest payments as of December 31, 2008 follows:

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

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
2009	\$195,000	\$38,400	\$960,000	\$262,650	\$306,000	\$91,129
2010	170,000	30,355	1,000,000	229,050	327,000	74,816
2011	175,000	23,440	1,105,000	194,050	338,000	60,667
2012	30,000	16,165	1,145,000	152,613	239,000	46,400
2013	30,000	14,940	1,195,000	106,813	145,000	36,243
2014-2018	290,000	27,788	1,245,000	56,025	505,000	101,747
2019-2023	0	0	0	0	100,000	13,500
Total	<u>\$890,000</u>	<u>\$151,088</u>	<u>\$6,650,000</u>	<u>\$1,001,201</u>	<u>\$1,960,000</u>	<u>\$424,502</u>

Business type Activities							
December 31,	General Obligation Bonds		Special Assessment Bonds		OPWC Loan	OWDA Loans	
	Principal	Interest	Principal	Interest	Principal	Principal	Interest
2009	\$820,000	\$194,068	\$10,000	\$5,840	\$16,685	\$402,024	\$80,706
2010	855,000	163,994	10,000	5,550	16,685	424,950	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	4,870	16,686	144,179	4,242
2014-2018	785,000	379,356	50,000	18,200	33,372	0	0
2019-2023	985,000	183,680	50,000	7,050	0	0	0
2024	225,000	9,844	0	0	0	0	0
Total	<u>\$4,850,000</u>	<u>\$1,249,831</u>	<u>\$140,000</u>	<u>\$51,825</u>	<u>\$116,800</u>	<u>\$1,654,244</u>	<u>\$193,897</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, 2008, there was one series of Industrial Revenue Bonds outstanding with an aggregate principal amount payable of \$957,917. The original issue amount totaled \$2,500,000.

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

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 thirty years after closure. The City's landfill placed its final cover in 1989. The \$386,320 reported as landfill postclosure care liability in the Sanitation Fund at December 31, 2008, 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, and a case loader. During 2008, the City entered into lease agreements for 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 2008 totaled \$114,773 in governmental activities and \$20,458 in business-type activities.

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

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, 2008</u>
Asset:			
Governmental Activities			
Buildings	\$944,870	(\$94,487)	\$850,383
Machinery and Equipment	291,908	(8,857)	283,051
Total Governmental Funds	<u>\$1,236,778</u>	<u>(\$103,344)</u>	<u>\$1,133,434</u>
Business-type Activities			
Machinery and Equipment	<u>\$5,469</u>	<u>(\$91)</u>	<u>\$5,378</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, 2008.

<u>December 31,</u>	<u>Governmental Activities Total Payments</u>	<u>Business- type Activities Total Payments</u>
2009	\$169,234	\$654
2010	169,234	654
2011	152,293	654
2012	146,647	654
2013	146,647	654
2014-2018	<u>134,817</u>	<u>2,945</u>
Total	918,872	6,215
Less: Amount Representing Interest	<u>(114,725)</u>	<u>(976)</u>
Present Value of Minimum Lease Payments	<u>\$804,147</u>	<u>\$5,239</u>

NOTE 17 – OPERATING LEASE – LESSEE DISCLOSURE

During 2008, 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 2008 were \$33,714.

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

NOTE 17 – OPERATING LEASE – LESSEE DISCLOSURE (continued)

The future minimum lease payments are as follows:

December 31,	Payment Total
2009	\$96,741
2010	96,741
2011	96,741
2012	96,741
2013	96,741
2014-2018	435,336
Total	\$919,041

NOTE 18 – INTERFUND ASSETS/LIABILITIES

Interfund balances at December 31, 2008, 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 Receivable					Total
	General Fund	Nonmajor Governmental Funds	Water Fund	Sewer Fund	Internal Service Funds	
General Fund	\$0	\$0	\$0	\$0	\$8,057	\$8,057
Fire and EMS Fund	0	0	0	0	11,434	11,434
Nonmajor Other						
Governmental Funds	19,603	38,771	2,834	1,592	3,231	66,031
Water Fund	0	0	0	0	2,584	2,584
Sewer Fund	0	0	0	0	1,752	1,752
Sanitation Fund	0	0	0	0	423	423
Internal Service Funds	0	0	0	0	218	218
Total	\$19,603	\$38,771	\$2,834	\$1,592	\$27,699	\$90,499

Interfund transfers for the year ended December 31, 2008, consisted of the following:

	Transfers To		
	Fire and EMS Fund	Nonmajor Governmental Funds	Total
General Fund	\$3,953,035	\$670,354	\$4,623,389
Tax Increment Financing Fund	0	210,982	210,982
Nonmajor Governmental Funds	0	4,799	4,799
Total	\$3,953,035	\$886,135	\$4,839,170

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

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 used to match Issue II projects.

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, 2008

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, 2008 and 2007:

Casualty and Property Coverage	2008	2007
Assets	\$35,769,535	\$37,560,071
Liabilities	15,310,206	17,340,825
Net Assets - Unrestricted	<u>\$20,459,329</u>	<u>\$20,219,246</u>

At December 31, 2008 and 2007, respectively, casualty coverage liabilities noted above include approximately \$12.9 million and \$15.0 million of estimated incurred claims payable. The Casualty Coverage assets and net assets above also include approximately \$12.9 million and \$15.0 million of unpaid claims to be billed to approximately 445 member governments in the future, as of December 31, 2008 and 2007, 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 \$164,516. 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:

Contributions to PEP	Amount
2006	\$185,835
2007	211,306
2008	164,516

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

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.

Danielle Foley v. Safeco Insurance Company of Illinois

On September 19, 2007, Plaintiff filed a Complaint for Personal Injuries with Jury Demand in the Greene County Common Pleas Court. Plaintiff's complaint stems from an automobile accident on or about February 20, 2006, wherein the motor vehicles of Plaintiff and Defendant Bryan Thompson collided. Defendant Bryan Thompson was operating a City of Fairborn vehicle in the scope and course of his employment at the time of the collision. Plaintiff claims damages against Bryan Thompson and the City of Fairborn in an amount in excess of \$25,000. On October 17, 2007 Defendants Bryan Thompson and the City of Fairborn filed an Answer to Plaintiff's Complaint. This matter is scheduled for mediation on March 26, 2009.

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. This matter is currently scheduled for pretrial on January 12, 2010, and jury trial February 9, 2010.

Federal and State Grants

For the period January 1, 2008, to December 31, 2008, 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.

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

NOTE 21 - CONSTRUCTION COMMITMENTS

As of December 31, 2008, the City had the following commitments with respect to capital projects:

Project	Remaining Construction Commitment	Estimated Date of Completion
Wellfield Design/Construction	\$254,414	6/1/09
High Service Booster Pump Station and Tank Design	2,326	4/30/09
Increase WTP Capacity	84,276	6/1/09
Influent Pumping Stand-by Power Improvements Design - Main Pump Station	3,932,736	12/1/09
Upgrade Kauffman Lift Station Design	2,241	6/1/09
Submersible Aerator	4,247	3/30/09
C&S Program	21,840	
2008 Street Program	1,061,192	2/28/09
Paving of Downtown Parking Lots	60,000	2/28/09
Dayton Yellow Springs Road/Colonel Glenn Signal Interconnect	135,405	5/30/09
Dayton Yellow Springs Road Widening Phase I	102,785	1/12/09
Oxidation Tank #4	13,671	2/28/09

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 \$14,969 for the operation of the Commission during 2008. Financial information may be obtained by writing to Donald Spang, Executive Director, One South Main Street, Suite 260, Dayton, Ohio 45402.

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

NOTE 22 - JOINTLY GOVERNED ORGANIZATIONS (continued)

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 2008. Financial information can be obtained from the fiscal agent by writing to the RERT, c/o The City of Beavercreek, Bill Kucera, Finance Director, at 1368 Research Park Drive, Beavercreek, Ohio 45432.

Greene County Agencies for Combined Enforcement (ACE Task Force)

The Greene County Agencies for Combined Enforcement (ACE Task Force) is a jointly governed organization comprised of the Greene County Sheriff's Office; the Beavercreek, Fairborn, Xenia, Yellow Springs and Sugarcreek Township Police Departments; and Greene County Prosecutor's Office. The ACE Task Force is a multi-jurisdictional, multi-disciplinary partnership to share information and resources in order to target the flow of illegal drugs and organized criminal activity into Ohio communities, ensuring the safety and security of Ohio's citizens. Payments to the Task Force are made from the General Fund. The City contributed \$15,100 during 2008. Financial information can be obtained from Greene County Agencies for Combined Enforcement (ACE Task Force), Commander Bruce L. May, 1388 Research Park Drive, Beavercreek, OH 45432.

Community Improvement Corporation of Fairborn (CIC)

The Community Improvement Corporation of Fairborn (CIC) is a jointly governed organization created as a not-for-profit corporation under Chapter 1724 of the Ohio Revised Code. The CIC was formed to advance, encourage, and promote the industrial, economic, commercial, and civic development of the Greene County, Ohio and the municipal corporations located therein. The City contributed \$2,000 from the General Fund to the CIC during 2008. Financial information can be obtained by writing to CIC, c/o The City of Fairborn, Gary Woodward, President, at 44 West Hebble Avenue, Fairborn, OH 45324.

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

NOTE 22 - JOINTLY GOVERNED ORGANIZATIONS (continued)

Greene County Regional Planning and Coordination Commission (GCPRCC)

The Greene County Regional Planning and Coordination Commission (GCPRCC) is a jointly governed organization between Green County area municipalities, townships and villages. There are two governing bodies; the Planning Commission which consists of one elected official of the following jurisdictions: Fairborn, Beavercreek, Xenia, Bellbrook, Cedarville, Clifton, Jamestown, Spring Valley, Yellow Springs and 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 2008. Financial information can be obtained from Stephen Anderson, Executive Director, at 651 Dayton-Xenia Road, Xenia, Ohio 45385.

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.

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

NOTE 24 – ACCOUNTABILITY

The Fire and EMS, Tax Increment Financing, Cemetery and Street Lighting Funds had fund balance deficits at December 31, 2008 of \$254,529, \$1,758,336, \$788, and \$1,705, respectively.

The General Fund is liable for the deficits in the Fire and EMS, Cemetery and Street Lighting 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 deficit will be alleviated when the note is paid.

NOTE 25 – SUBSEQUENT EVENTS

In May of 2009, the City reissued a note in the amount of \$11,136,000 for water and sewer various purposes with an interest rate of 2 percent and issued a special assessment general obligation bond for the purpose of constructing and repairing curbs, sidewalks and driveway approaches with an interest rate of 3.75% for 5 years.

The City established a Police Fund to account for police operations. The City has an existing three-tenths of a mill Police pension levy within the 10 mill limitation. Police operations and revenues have been accounted in the General Fund. Activity in the Police Operations Fund began on January 1, 2009.

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 tax 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.

Victim Witness Fund

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

Street Lighting Fund

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

County Motor Vehicle Tax Fund

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

Law Enforcement Trust Fund

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

Drug Law Enforcement Fund

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

(continued)

City of Fairborn, Ohio
Nonmajor Fund Descriptions
(continued)

City Motor Vehicle License Tax Fund

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

Indigent Drivers Alcohol Treatment Fund

To account for fines imposed by the Municipal Court for the purpose of paying the costs of attendance of indigent operating a motor vehicle while intoxicated (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 fines levied and expenditures by the Probation Officers.

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.

Federal Emergency Management Agency Fund

To account for federal grant money used to aid in cost reimbursements for wind storm damage. Budgetary information has not been presented for this fund because the City did not anticipate any revenues or expenditures in 2008 and none occurred. The budgetary fund balance was zero at December 31, 2008.

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 for the State of Ohio for each project awarded through this program and to account for local matching funds.

(continued)

City of Fairborn, Ohio
Nonmajor Fund Descriptions
(continued)

Municipal Court Improvement Fund

To account for an extra three dollar fee charged by the Municipal Court on all cases to be used for capital improvement projects within the municipal court building.

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 tax and grants for the improvement of the City park system.

Public Safety Equipment/Facility Fund

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

Building and Land Fund

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

Special Assessment Construction Fund

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

City of Fairborn, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2008

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
Assets:			
Equity in Pooled Cash and Cash Equivalents	\$4,231,159	\$1,735,815	\$5,966,974
Receivables:			
Property Taxes	148,883	0	148,883
Other Local Taxes	0	25,536	25,536
Municipal Income Taxes	634,500	639,638	1,274,138
Interfund	38,771	0	38,771
Accounts	14,344	0	14,344
Intergovernmental	849,720	244,174	1,093,894
Materials and Supplies Inventory	85,195	0	85,195
<i>Total Assets</i>	<u>\$6,002,572</u>	<u>\$2,645,163</u>	<u>\$8,647,735</u>
Liabilities and Fund Balances:			
Liabilities:			
Accounts Payable	\$86,989	\$42,590	\$129,579
Contracts Payable	925,053	57,233	982,286
Retainage Payable	42,340	1,400	43,740
Interfund Payable	66,031	0	66,031
Accrued Wages Payable	23,422	1,151	24,573
Intergovernmental Payable	141,805	955	142,760
Deferred Revenue	1,198,893	523,010	1,721,903
Accrued Interest Payable	2,813	4,894	7,707
Notes Payable	279,000	450,000	729,000
<i>Total Liabilities</i>	<u>2,766,346</u>	<u>1,081,233</u>	<u>3,847,579</u>
Fund Balances:			
Reserved for Encumbrances	231,899	347,244	579,143
Unreserved, Undesignated, Reported in:			
Special Revenue Funds	3,004,327	0	3,004,327
Capital Projects Funds	0	1,216,686	1,216,686
<i>Total Fund Balances</i>	<u>3,236,226</u>	<u>1,563,930</u>	<u>4,800,156</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$6,002,572</u>	<u>\$2,645,163</u>	<u>\$8,647,735</u>

City of Fairborn, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2008

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:			
Property Taxes	\$142,282	\$0	\$142,282
Other Local Taxes	0	92,800	92,800
Municipal Income Taxes	1,674,090	1,638,027	3,312,117
Fines, Licenses and Permits	383,996	403,784	787,780
Charges for Services	27,171	98,947	126,118
Investment Earnings	82,881	32,371	115,252
Intergovernmental	1,812,680	1,433,913	3,246,593
Other	173,849	21,931	195,780
<i>Total Revenues</i>	<u>4,296,949</u>	<u>3,721,773</u>	<u>8,018,722</u>
Expenditures:			
Current:			
General Government	103,167	388,324	491,491
Public Safety	699,015	0	699,015
Leisure Time Activities	0	4,045	4,045
Community Development	256,108	0	256,108
Transportation and Street Repair	1,122,157	1,471	1,123,628
Public Health and Welfare	79,775	0	79,775
Capital Outlay	1,978,466	2,206,764	4,185,230
Debt Service:			
Principal Retirement	0	1,066,063	1,066,063
Interest and Fiscal Charges	11,667	402,516	414,183
<i>Total Expenditures</i>	<u>4,250,355</u>	<u>4,069,183</u>	<u>8,319,538</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>46,594</u>	<u>(347,410)</u>	<u>(300,816)</u>
Other Financing Sources (Uses):			
Special Assessment Bonds Issued	0	280,000	280,000
Refunding Notes Issued	0	135,000	135,000
Transfers-In	408,975	477,160	886,135
Transfers-Out	(4,799)	0	(4,799)
<i>Total Other Financing Sources (Uses)</i>	<u>404,176</u>	<u>892,160</u>	<u>1,296,336</u>
<i>Net Change in Fund Balances</i>	450,770	544,750	995,520
<i>Fund Balances at Beginning of Year</i>	<u>2,785,456</u>	<u>1,019,180</u>	<u>3,804,636</u>
<i>Fund Balances at End of Year</i>	<u><u>\$3,236,226</u></u>	<u><u>\$1,563,930</u></u>	<u><u>\$4,800,156</u></u>

City of Fairborn, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2008

	Street Maintenance and Repair	State Highway	Cemetery	Community Development
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$913,171	\$135,143	\$1,677	\$54,411
Receivables:				
Property Taxes	0	0	0	0
Municipal Income Taxes	0	0	0	0
Interfund	34,769	4,002	0	0
Accounts	10	0	1,665	0
Intergovernmental	526,647	45,058	0	53,153
Materials and Supplies Inventory	85,195	0	0	0
<i>Total Assets</i>	<u>\$1,559,792</u>	<u>\$184,203</u>	<u>\$3,342</u>	<u>\$107,564</u>
Liabilities and Fund Balances:				
Liabilities:				
Accounts Payable	\$7,814	\$257	\$488	\$48,971
Contracts Payable	0	0	0	5,221
Retainage Payable	0	0	0	0
Interfund Payable	2,974	122	6	129
Accrued Wages Payable	12,251	1,118	1,366	2,318
Intergovernmental Payable	19,813	1,634	2,270	3,130
Deferred Revenue	348,695	30,629	0	0
Accrued Interest Payable	0	0	0	0
Notes Payable	0	0	0	0
<i>Total Liabilities</i>	<u>391,547</u>	<u>33,760</u>	<u>4,130</u>	<u>59,769</u>
Fund Balances:				
Reserved for Encumbrances	53,187	1,655	1,461	4,618
Unreserved, Undesignated (Deficit)	<u>1,115,058</u>	<u>148,788</u>	<u>(2,249)</u>	<u>43,177</u>
<i>Total Fund Balances (Deficit)</i>	<u>1,168,245</u>	<u>150,443</u>	<u>(788)</u>	<u>47,795</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$1,559,792</u>	<u>\$184,203</u>	<u>\$3,342</u>	<u>\$107,564</u>

Victim Witness	Street Lighting	County Motor Vehicle Tax	Law Enforcement Trust	Drug Law Enforcement	City Motor Vehicle License Tax	Indigent Drivers Alcohol Treatment
\$12,259	\$925	\$785,389	\$75,368	\$8,570	\$1,090,921	\$367,608
0	148,883	0	0	0	0	0
0	0	211,500	0	0	423,000	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	5,822	156,240	0	0	0	0
0	0	0	0	0	0	0
<u>\$12,259</u>	<u>\$155,630</u>	<u>\$1,153,129</u>	<u>\$75,368</u>	<u>\$8,570</u>	<u>\$1,513,921</u>	<u>\$367,608</u>
\$110	\$2,630	\$6,536	\$0	\$0	\$0	\$0
0	0	455,207	0	0	464,625	0
0	0	20,951	0	0	21,389	0
0	0	0	0	0	0	0
2,352	0	0	0	0	0	0
3,913	0	36,470	0	0	72,940	0
0	154,705	325,781	0	0	339,083	0
0	0	2,813	0	0	0	0
0	0	279,000	0	0	0	0
<u>6,375</u>	<u>157,335</u>	<u>1,126,758</u>	<u>0</u>	<u>0</u>	<u>898,037</u>	<u>0</u>
1,552	135	60,186	0	0	99,368	0
<u>4,332</u>	<u>(1,840)</u>	<u>(33,815)</u>	<u>75,368</u>	<u>8,570</u>	<u>516,516</u>	<u>367,608</u>
<u>5,884</u>	<u>(1,705)</u>	<u>26,371</u>	<u>75,368</u>	<u>8,570</u>	<u>615,884</u>	<u>367,608</u>
<u>\$12,259</u>	<u>\$155,630</u>	<u>\$1,153,129</u>	<u>\$75,368</u>	<u>\$8,570</u>	<u>\$1,513,921</u>	<u>\$367,608</u>

(continued)

City of Fairborn, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds (Continued)
December 31, 2008

	Alcohol Enforcement and Education	Federal Forfeitures	Municipal Probation Services	Traffic Intervention
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$6,972	\$319,051	\$320,363	\$2,398
Receivables:				
Property Taxes	0	0	0	0
Municipal Income Taxes	0	0	0	0
Interfund	0	0	0	0
Accounts	0	0	0	0
Intergovernmental	0	0	0	0
Materials and Supplies Inventory	0	0	0	0
<i>Total Assets</i>	<u>\$6,972</u>	<u>\$319,051</u>	<u>\$320,363</u>	<u>\$2,398</u>
Liabilities and Fund Balances:				
Liabilities:				
Accounts Payable	\$0	\$10,012	\$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	4,017	0
Intergovernmental Payable	0	0	1,635	0
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>10,012</u>	<u>5,652</u>	<u>0</u>
Fund Balances:				
Reserved for Encumbrances	0	4,163	2,719	0
Unreserved, Undesignated (Deficit)	6,972	304,876	311,992	2,398
<i>Total Fund Balances (Deficit)</i>	<u>6,972</u>	<u>309,039</u>	<u>314,711</u>	<u>2,398</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$6,972</u>	<u>\$319,051</u>	<u>\$320,363</u>	<u>\$2,398</u>

Federal Emergency Management Agency	Uninsured Loss	Total Nonmajor Special Revenue Funds
\$0	\$136,933	\$4,231,159
0	0	148,883
0	0	634,500
0	0	38,771
0	12,669	14,344
62,800	0	849,720
0	0	85,195
<u>\$62,800</u>	<u>\$149,602</u>	<u>\$6,002,572</u>

\$0	\$10,171	\$86,989
0	0	925,053
0	0	42,340
62,800	0	66,031
0	0	23,422
0	0	141,805
0	0	1,198,893
0	0	2,813
0	0	279,000
<u>62,800</u>	<u>10,171</u>	<u>2,766,346</u>

0	2,855	231,899
0	136,576	3,004,327
0	139,431	3,236,226
<u>\$62,800</u>	<u>\$149,602</u>	<u>\$6,002,572</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, 2008

	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	27,171	0
Investment Earnings	26,385	3,185	0	0
Intergovernmental	1,155,056	92,615	0	241,535
Other	40,640	4,055	377	4,665
	<u>1,222,081</u>	<u>99,855</u>	<u>27,548</u>	<u>246,200</u>
<i>Total Revenues</i>				
Expenditures:				
Current:				
General Government	0	0	0	0
Public Safety	0	0	0	0
Community Development	0	0	0	256,108
Transportation and Street Repair	890,564	66,675	0	0
Public Health and Welfare	0	0	79,775	0
Capital Outlay	143,000	0	1,444	40,305
Debt Service:				
Interest and Fiscal Charges	0	0	0	0
	<u>1,033,564</u>	<u>66,675</u>	<u>81,219</u>	<u>296,413</u>
<i>Total Expenditures</i>				
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>188,517</u>	<u>33,180</u>	<u>(53,671)</u>	<u>(50,213)</u>
Other Financing Sources (Uses):				
Transfers-In	0	0	39,392	0
Transfers-Out	0	0	0	0
	<u>0</u>	<u>0</u>	<u>39,392</u>	<u>0</u>
<i>Total Other Financing Sources (Uses)</i>				
<i>Net Change in Fund Balances</i>	188,517	33,180	(14,279)	(50,213)
<i>Fund Balances (Deficit) at Beginning of Year</i>	<u>979,728</u>	<u>117,263</u>	<u>13,491</u>	<u>98,008</u>
<i>Fund Balances (Deficit) at End of Year</i>	<u>\$1,168,245</u>	<u>\$150,443</u>	<u>(\$788)</u>	<u>\$47,795</u>

Victim Witness	Street Lighting	County Motor Vehicle Tax	Law Enforcement Trust	Drug Law Enforcement	City Motor Vehicle License Tax	Indigent Drivers Alcohol Treatment
\$0	\$142,282	\$0	\$0	\$0	\$0	\$0
0	0	910,179	0	0	763,911	0
17,384	0	0	0	0	0	31,884
0	0	0	0	0	0	0
0	0	16,817	0	0	28,448	0
52,589	37,010	56,086	0	0	112,189	0
250	0	7,749	45,803	1,983	3,555	0
<u>70,223</u>	<u>179,292</u>	<u>990,831</u>	<u>45,803</u>	<u>1,983</u>	<u>908,103</u>	<u>31,884</u>
0	0	0	0	0	0	0
109,562	353,379	0	40,320	0	0	45,650
0	0	0	0	0	0	0
0	0	154,322	0	0	10,596	0
0	0	0	0	0	0	0
249	0	931,816	1,186	0	737,898	0
<u>0</u>	<u>0</u>	<u>11,667</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>109,811</u>	<u>353,379</u>	<u>1,097,805</u>	<u>41,506</u>	<u>0</u>	<u>748,494</u>	<u>45,650</u>
<u>(39,588)</u>	<u>(174,087)</u>	<u>(106,974)</u>	<u>4,297</u>	<u>1,983</u>	<u>159,609</u>	<u>(13,766)</u>
35,407	168,297	165,879	0	0	0	0
0	0	(4,799)	0	0	0	0
<u>35,407</u>	<u>168,297</u>	<u>161,080</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
(4,181)	(5,790)	54,106	4,297	1,983	159,609	(13,766)
10,065	4,085	(27,735)	71,071	6,587	456,275	381,374
<u>\$5,884</u>	<u>(\$1,705)</u>	<u>\$26,371</u>	<u>\$75,368</u>	<u>\$8,570</u>	<u>\$615,884</u>	<u>\$367,608</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, 2008

	Alcohol Enforcement and Education	Federal Forfeitures	Municipal Probation Services	Traffic Intervention
Revenues:				
Property Taxes	\$0	\$0	\$0	\$0
Municipal Income Taxes	0	0	0	0
Fines, Licenses and Permits	4,290	223,144	104,896	2,398
Charges for Services	0	0	0	0
Investment Earnings	0	8,046	0	0
Intergovernmental	0	2,800	0	0
Other	0	15,610	0	0
	<u>4,290</u>	<u>249,600</u>	<u>104,896</u>	<u>2,398</u>
<i>Total Revenues</i>				
Expenditures:				
Current:				
General Government	0	0	0	0
Public Safety	4,870	13,907	131,327	0
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	118,156	4,412	0
Debt Service:				
Interest and Fiscal Charges	0	0	0	0
	<u>4,870</u>	<u>132,063</u>	<u>135,739</u>	<u>0</u>
<i>Total Expenditures</i>				
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(580)</u>	<u>117,537</u>	<u>(30,843)</u>	<u>2,398</u>
Other Financing Sources (Uses):				
Transfers-In	0	0	0	0
Transfers-Out	0	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Total Other Financing Sources (Uses)</i>				
<i>Net Change in Fund Balances</i>	(580)	117,537	(30,843)	2,398
<i>Fund Balances (Deficit) at Beginning of Year</i>	<u>7,552</u>	<u>191,502</u>	<u>345,554</u>	<u>0</u>
<i>Fund Balances (Deficit) at End of Year</i>	<u><u>\$6,972</u></u>	<u><u>\$309,039</u></u>	<u><u>\$314,711</u></u>	<u><u>\$2,398</u></u>

Federal Emergency Management Agency	Uninsured Loss	Total Nonmajor Special Revenue Funds
\$0	\$0	\$142,282
0	0	1,674,090
0	0	383,996
0	0	27,171
0	0	82,881
62,800	0	1,812,680
0	49,162	173,849
<u>62,800</u>	<u>49,162</u>	<u>4,296,949</u>
62,800	40,367	103,167
0	0	699,015
0	0	256,108
0	0	1,122,157
0	0	79,775
0	0	1,978,466
0	0	11,667
<u>62,800</u>	<u>40,367</u>	<u>4,250,355</u>
0	8,795	46,594
0	0	408,975
0	0	(4,799)
<u>0</u>	<u>0</u>	<u>404,176</u>
0	8,795	450,770
<u>0</u>	<u>130,636</u>	<u>2,785,456</u>
<u>\$0</u>	<u>\$139,431</u>	<u>\$3,236,226</u>

City of Fairborn, Ohio
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2008

	Issue II Improvement	Municipal Court Improvement	Court Special Projects	General Capital Improvement
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$0	\$203,141	\$78,660	\$269,536
Receivables:				
Other Local Taxes	0	0	0	0
Municipal Income Taxes	0	0	0	0
Intergovernmental	102,152	0	0	126,187
<i>Total Assets</i>	<u>\$102,152</u>	<u>\$203,141</u>	<u>\$78,660</u>	<u>\$395,723</u>
Liabilities and Fund Balances:				
Liabilities:				
Accounts Payable	\$0	\$1,240	\$0	\$0
Contracts Payable	0	0	0	0
Retainage Payable	0	0	0	0
Accrued Wages Payable	0	1,151	0	0
Intergovernmental Payable	0	955	0	0
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>3,346</u>	<u>0</u>	<u>0</u>
Fund Balances:				
Reserved for Encumbrances	0	712	0	177,026
Unreserved, Undesignated (Deficit)	102,152	199,083	78,660	218,697
<i>Total Fund Balances</i>	<u>102,152</u>	<u>199,795</u>	<u>78,660</u>	<u>395,723</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$102,152</u>	<u>\$203,141</u>	<u>\$78,660</u>	<u>\$395,723</u>

Parks and Recreation Improvements	Public Safety Equipment/Facility	Building and Land	Special Assessment Construction	Total Nonmajor Capital Projects Funds
\$444,658	\$60,108	\$468,747	\$210,965	\$1,735,815
25,536	0	0	0	25,536
0	639,638	0	0	639,638
9,248	0	6,587	0	244,174
<u>\$479,442</u>	<u>\$699,746</u>	<u>\$475,334</u>	<u>\$210,965</u>	<u>\$2,645,163</u>
\$0	\$10,112	\$31,238	\$0	\$42,590
19,457	0	37,776	0	57,233
0	0	1,400	0	1,400
0	0	0	0	1,151
0	0	0	0	955
9,248	513,762	0	0	523,010
0	0	2,372	2,522	4,894
0	0	325,000	125,000	450,000
<u>28,705</u>	<u>523,874</u>	<u>397,786</u>	<u>127,522</u>	<u>1,081,233</u>
45,803	3,199	113,122	7,382	347,244
<u>404,934</u>	<u>172,673</u>	<u>(35,574)</u>	<u>76,061</u>	<u>1,216,686</u>
<u>450,737</u>	<u>175,872</u>	<u>77,548</u>	<u>83,443</u>	<u>1,563,930</u>
<u>\$479,442</u>	<u>\$699,746</u>	<u>\$475,334</u>	<u>\$210,965</u>	<u>\$2,645,163</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, 2008

	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	226,850	176,934	0
Charges for Services	0	0	0	0
Investment Earnings	0	0	0	7,867
Intergovernmental	862,336	0	0	209,972
Other	0	0	0	0
	<u>862,336</u>	<u>226,850</u>	<u>176,934</u>	<u>217,839</u>
<i>Total Revenues</i>				
Expenditures:				
Current:				
General Government	0	127,482	15,569	65,770
Leisure Time Activities	0	0	0	0
Transportation and Street Repair	1,471	0	0	0
Capital Outlay	760,184	11,531	0	369,046
Debt Service:				
Principal Retirement	0	0	91,063	30,000
Interest and Fiscal Charges	0	0	27,818	5,003
	<u>761,655</u>	<u>139,013</u>	<u>134,450</u>	<u>469,819</u>
<i>Total Expenditures</i>				
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>100,681</u>	<u>87,837</u>	<u>42,484</u>	<u>(251,980)</u>
Other Financing Sources (Uses):				
Special Assessments Bonds Issued	0	0	0	0
Refunding Notes Issued	0	0	0	0
Transfers-In	4,799	0	0	252,006
	<u>4,799</u>	<u>0</u>	<u>0</u>	<u>252,006</u>
<i>Total Other Financing Sources (Uses)</i>				
<i>Net Change in Fund Balances</i>	105,480	87,837	42,484	26
<i>Fund Balances (Deficit) at Beginning of Year</i>	<u>(3,328)</u>	<u>111,958</u>	<u>36,176</u>	<u>395,697</u>
<i>Fund Balances at End of Year</i>	<u>\$102,152</u>	<u>\$199,795</u>	<u>\$78,660</u>	<u>\$395,723</u>

Parks and Recreation Improvements	Public Safety Equipment/Facility	Building and Land	Special Assessment Construction	Total Nonmajor Capital Projects Funds
\$92,800	\$0	\$0	\$0	\$92,800
0	1,638,027	0	0	1,638,027
0	0	0	0	403,784
15,800	0	0	83,147	98,947
9,827	14,677	0	0	32,371
142,697	25,884	193,024	0	1,433,913
4,798	1,617	12,120	3,396	21,931
<u>265,922</u>	<u>1,680,205</u>	<u>205,144</u>	<u>86,543</u>	<u>3,721,773</u>
0	116,726	57,017	5,760	388,324
4,045	0	0	0	4,045
0	0	0	0	1,471
94,371	403,449	400,326	167,857	2,206,764
0	920,000	25,000	0	1,066,063
0	311,517	33,264	24,914	402,516
<u>98,416</u>	<u>1,751,692</u>	<u>515,607</u>	<u>198,531</u>	<u>4,069,183</u>
<u>167,506</u>	<u>(71,487)</u>	<u>(310,463)</u>	<u>(111,988)</u>	<u>(347,410)</u>
0	0	0	280,000	280,000
0	0	0	135,000	135,000
0	0	220,355	0	477,160
<u>0</u>	<u>0</u>	<u>220,355</u>	<u>415,000</u>	<u>892,160</u>
167,506	(71,487)	(90,108)	303,012	544,750
283,231	247,359	167,656	(219,569)	1,019,180
<u>\$450,737</u>	<u>\$175,872</u>	<u>\$77,548</u>	<u>\$83,443</u>	<u>\$1,563,930</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, 2008

	Equipment	Information Technology	Employee Assistance Program	Total
Assets:				
Current Assets				
Equity in Pooled Cash and Cash Equivalents	\$126,342	\$58,732	\$387,714	\$572,788
Accounts Receivable	0	10	0	10
Interfund Receivable	27,699	0	0	27,699
Materials and Supplies Inventory	83,993	0	0	83,993
Intergovernmental Receivables	21,210	0	0	21,210
<i>Total Current Assets</i>	<u>259,244</u>	<u>58,742</u>	<u>387,714</u>	<u>705,700</u>
Non-current Assets				
Nondepreciable Capital Assets	0	28,832	0	28,832
Depreciable Capital Assets, Net	229,583	82,336	0	311,919
<i>Total Non-current Assets</i>	<u>229,583</u>	<u>111,168</u>	<u>0</u>	<u>340,751</u>
<i>Total Assets</i>	<u>488,827</u>	<u>169,910</u>	<u>387,714</u>	<u>1,046,451</u>
Liabilities:				
Current Liabilities				
Accounts Payable	15,356	6,092	0	21,448
Accrued Wages Payable	11,370	5,249	0	16,619
Compensated Absences Payable	34,621	4,535	0	39,156
Intergovernmental Payable	17,712	9,204	0	26,916
Interfund Payable	59	159	0	218
Capital Lease Payable	5,212	19,380	0	24,592
<i>Total Current Liabilities</i>	<u>84,330</u>	<u>44,619</u>	<u>0</u>	<u>128,949</u>
Long-Term Liabilities				
Capital Lease Payable	52,555	26,563	0	79,118
Compensated Absences Payable	12,828	5,016	0	17,844
<i>Total Long-Term Liabilities</i>	<u>65,383</u>	<u>31,579</u>	<u>0</u>	<u>96,962</u>
<i>Total Liabilities</i>	<u>149,713</u>	<u>76,198</u>	<u>0</u>	<u>225,911</u>
Net Assets:				
Invested in Capital Assets, Net of Related Debt	171,816	65,225	0	237,041
Unrestricted	167,298	28,487	387,714	583,499
<i>Total Net Assets</i>	<u>\$339,114</u>	<u>\$93,712</u>	<u>\$387,714</u>	<u>\$820,540</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, 2008

	Equipment	Information Technology	Employee Assistance Program	Total
Operating Revenues:				
Charges for Services	\$1,447,384	\$524,069	\$0	\$1,971,453
Other	1,646	127	0	1,773
<i>Total Operating Revenues</i>	<u>1,449,030</u>	<u>524,196</u>	<u>0</u>	<u>1,973,226</u>
Operating Expenses:				
Personal Services	487,588	243,238	52,940	783,766
Contractual Services	151,217	174,547	8,683	334,447
Materials and Supplies	770,860	9,825	0	780,685
Depreciation	16,029	8,913	0	24,942
<i>Total Operating Expenses</i>	<u>1,425,694</u>	<u>436,523</u>	<u>61,623</u>	<u>1,923,840</u>
<i>Operating Income (Loss)</i>	<u>23,336</u>	<u>87,673</u>	<u>(61,623)</u>	<u>49,386</u>
Non-Operating Revenues (Expenses):				
Investment Earnings	0	0	14,642	14,642
Interest and Fiscal Charges	(1,070)	(2,994)	0	(4,064)
<i>Total Non-Operating Revenues (Expenses)</i>	<u>(1,070)</u>	<u>(2,994)</u>	<u>14,642</u>	<u>10,578</u>
<i>Change in Net Assets</i>	22,266	84,679	(46,981)	59,964
<i>Net Assets at Beginning of Year</i>	<u>316,848</u>	<u>9,033</u>	<u>434,695</u>	<u>760,576</u>
<i>Net Assets at End of Year</i>	<u>\$339,114</u>	<u>\$93,712</u>	<u>\$387,714</u>	<u>\$820,540</u>

City of Fairborn, Ohio
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2008

	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	\$1,496,685	\$524,118	\$0	\$2,020,803
Cash Received From Other Operating Revenues	1,646	127	0	1,773
Cash Payments for Employee Services and Benefits	(495,749)	(245,337)	(52,940)	(794,026)
Cash Payments to Suppliers	(939,691)	(183,827)	(8,683)	(1,132,201)
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>62,891</u>	<u>95,081</u>	<u>(61,623)</u>	<u>96,349</u>
Cash Flows Used for Capital and Related				
Financing Activities:				
Acquisition of Capital Assets	(32,339)	(28,740)	0	(61,079)
Capital Lease Principal Payments	(2,538)	(13,945)	0	(16,483)
Capital Lease Interest Payments	(1,070)	(2,994)	0	(4,064)
<i>Net Cash Used for Capital and Related Financing Activities</i>	<u>(35,947)</u>	<u>(45,679)</u>	<u>0</u>	<u>(81,626)</u>
Cash Flows from Investing Activities:				
Interest	<u>0</u>	<u>0</u>	<u>14,760</u>	<u>14,760</u>
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	26,944	49,402	(46,863)	29,483
<i>Cash and Cash Equivalents at Beginning of Year</i>	<u>99,398</u>	<u>9,330</u>	<u>434,577</u>	<u>543,305</u>
<i>Cash and Cash Equivalents at End of Year</i>	<u><u>\$126,342</u></u>	<u><u>\$58,732</u></u>	<u><u>\$387,714</u></u>	<u><u>\$572,788</u></u>
Reconciliation of Operating Income (Loss) to Net				
Cash Provided by (Used for) Operating Activities:				
Operating Income (Loss)	\$23,336	\$87,673	(\$61,623)	\$49,386
Adjustments to Reconcile Operating Income (Loss)				
to Net Cash Provided by (Used for) Operating				
Activities:				
Depreciation	16,029	8,913	0	24,942
Changes in Assets and Liabilities:				
Decrease in Accounts Receivable	74,228	49	0	74,277
Increase in Intergovernmental Receivable	(21,210)	0	0	(21,210)
Decrease in Materials and Supplies Inventory	25,422	0	0	25,422
Decrease in Prepaid Items	978	0	0	978
Increase in Interfund Receivable	(3,717)	0	0	(3,717)
Increase (Decrease) in Accounts Payable	(43,894)	508	0	(43,386)
Decrease in Contracts Payable	0	(11,359)	0	(11,359)
Increase (Decrease) in Accrued Wages Payable	(23,828)	9,204	0	(14,624)
Increase in Intergovernmental Payable	17,712	0	0	17,712
Increase (Decrease) in Interfund Payable	(120)	37	0	(83)
Increase (Decrease) in Compensated Absences Payable	(2,045)	56	0	(1,989)
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u><u>\$62,891</u></u>	<u><u>\$95,081</u></u>	<u><u>(\$61,623)</u></u>	<u><u>\$96,349</u></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, 2008

	<u>Balance at</u> <u>12/31/2007</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at</u> <u>12/31/2008</u>
<u>Municipal Court</u>				
Assets:				
Equity in Pooled Cash and Cash				
Equivalents in Segregated Accounts	<u>\$427,129</u>	<u>\$4,163,767</u>	<u>\$4,208,605</u>	<u>\$382,291</u>
Liabilities:				
Undistributed Monies	<u>\$427,129</u>	<u>\$4,163,767</u>	<u>\$4,208,605</u>	<u>\$382,291</u>

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, 2008

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Property Taxes	\$1,874,000	\$1,742,761	(\$131,239)
Other Local Taxes	670,000	664,510	(5,490)
Municipal Income Taxes	7,772,666	7,482,319	(290,347)
Fines, Licenses and Permits	1,765,425	1,664,034	(101,391)
Charges for Services	2,277,431	2,326,933	49,502
Investment Earnings	400,000	516,236	116,236
Intergovernmental	2,066,356	2,401,234	334,878
Other	130,097	148,540	18,443
<i>Total Revenues</i>	<u>16,955,975</u>	<u>16,946,567</u>	<u>(9,408)</u>
Expenditures:			
Current:			
General Government			
City Council			
Personal Services	101,828	99,004	2,824
Contractual Services	65,799	55,066	10,733
Materials and Supplies	6,624	6,985	(361)
<i>Total City Council</i>	<u>174,251</u>	<u>161,055</u>	<u>13,196</u>
Municipal Court			
Personal Services	1,561,992	1,477,451	84,541
Contractual Services	290,510	277,199	13,311
Materials and Supplies	23,402	29,069	(5,667)
<i>Total Municipal Court</i>	<u>1,875,904</u>	<u>1,783,719</u>	<u>92,185</u>
Jail Diversion Grant			
Personal Services	44,164	44,062	102
Contractual Services	1,845	1,845	0
<i>Total Jail Diversion Grant</i>	<u>46,009</u>	<u>45,907</u>	<u>102</u>
City Manager's Office			
Personal Services	262,651	253,132	9,519
Contractual Services	23,284	20,815	2,469
Materials and Supplies	5,075	4,105	970
<i>Total City Manager's Office</i>	<u>291,010</u>	<u>278,052</u>	<u>12,958</u>
Administration and General Accounting			
Personal Services	465,225	450,080	15,145
Contractual Services	127,523	122,619	4,904
Materials and Supplies	3,056	5,393	(2,337)
<i>Total Administration and General Accounting</i>	<u>\$595,804</u>	<u>\$578,092</u>	<u>\$17,712</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, 2008
(Continued)

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Utilities Accounting			
Personal Services	\$200,253	\$181,496	\$18,757
Contractual Services	86,244	82,779	3,465
Materials and Supplies	3,266	2,813	453
<i>Total Utilities Accounting</i>	<u>289,763</u>	<u>267,088</u>	<u>22,675</u>
City Income Tax Accounting			
Personal Services	209,607	195,279	14,328
Contractual Services	452,024	359,751	92,273
Materials and Supplies	2,483	1,360	1,123
<i>Total City Income Tax Accounting</i>	<u>664,114</u>	<u>556,390</u>	<u>107,724</u>
Legal Department			
Personal Services	180,079	169,913	10,166
Contractual Services	161,390	158,075	3,315
Materials and Supplies	4,604	3,409	1,195
<i>Total Legal Department</i>	<u>346,073</u>	<u>331,397</u>	<u>14,676</u>
Personnel Department			
Personal Services	87,776	76,162	11,614
Contractual Services	23,253	22,185	1,068
Materials and Supplies	13,908	9,733	4,175
<i>Total Personnel Department</i>	<u>124,937</u>	<u>108,080</u>	<u>16,857</u>
Engineering and Drafting			
Personal Services	473,257	454,648	18,609
Contractual Services	36,419	26,901	9,518
Materials and Supplies	13,253	10,915	2,338
<i>Total Engineering and Drafting</i>	<u>522,929</u>	<u>492,464</u>	<u>30,465</u>
Plant Maintenance			
Personal Services	379,165	356,061	23,104
Contractual Services	109,402	98,966	10,436
Materials and Supplies	64,586	64,719	(133)
<i>Total Plant Maintenance</i>	<u>553,153</u>	<u>519,746</u>	<u>33,407</u>
Contingency			
Personal Services	229,550	229,550	0
Contractual Services	877,518	872,244	5,274
Materials and Supplies	4,994	4,798	196
<i>Total Contingency</i>	<u>1,112,062</u>	<u>1,106,592</u>	<u>5,470</u>
<i>Total General Government</i>	<u>\$6,596,009</u>	<u>\$6,228,582</u>	<u>\$367,427</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, 2008
(Continued)

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Public Safety			
Police Administrative Services			
Personal Services	\$464,335	\$445,739	\$18,596
Contractual Services	212,459	207,270	5,189
Materials and Supplies	36,219	35,573	646
<i>Total Police Administrative Services</i>	<u>713,013</u>	<u>688,582</u>	<u>24,431</u>
Police Dispatch			
Personal Services	887,426	870,715	16,711
Contractual Services	55,274	52,806	2,468
<i>Total Police Dispatch</i>	<u>942,700</u>	<u>923,521</u>	<u>19,179</u>
Police Detective Section			
Personal Services	804,165	793,717	10,448
Contractual Services	6,180	5,046	1,134
Materials and Supplies	31,088	26,053	5,035
<i>Total Police Detective Section</i>	<u>841,433</u>	<u>824,816</u>	<u>16,617</u>
Police Patrol Section			
Personal Services	3,048,801	2,963,693	85,108
Contractual Services	9,635	7,866	1,769
Materials and Supplies	147,794	134,148	13,646
<i>Total Police Patrol Section</i>	<u>3,206,230</u>	<u>3,105,707</u>	<u>100,523</u>
Police Animal Control			
Contractual Services	72,276	70,417	1,859
D.A.R.E.			
Personal Services	103,858	101,788	2,070
Contractual Services	305	114	191
<i>Total D.A.R.E.</i>	<u>104,163</u>	<u>101,902</u>	<u>2,261</u>
<i>Total Public Safety</i>	<u>5,879,815</u>	<u>5,714,945</u>	<u>164,870</u>
Leisure Time Activities			
Parks and Recreation			
Personal Services	113,433	110,890	2,543
Contractual Services	71,060	71,020	40
Materials and Supplies	37,171	32,387	4,784
<i>Total Leisure Time Activities</i>	<u>\$221,664</u>	<u>\$214,297</u>	<u>\$7,367</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, 2008
(Continued)

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Community Development			
Community Development Urban Planner			
Personal Services	\$246,418	\$239,827	\$6,591
Contractual Services	39,150	34,349	4,801
Materials and Supplies	1,467	1,904	(437)
<i>Total Community Development Urban Planner</i>	<u>287,035</u>	<u>276,080</u>	<u>10,955</u>
Building Inspection and Zoning Enforcement			
Personal Services	382,501	367,063	15,438
Contractual Services	43,015	35,272	7,743
Materials and Supplies	9,498	8,808	690
<i>Total Building Inspection and Zoning Enforcement</i>	<u>435,014</u>	<u>411,143</u>	<u>23,871</u>
<i>Total Community Development</i>	<u>722,049</u>	<u>687,223</u>	<u>34,826</u>
Capital Outlay			
Capital Outlay	205,808	188,889	16,919
<i>Total Expenditures</i>	<u>13,625,345</u>	<u>13,033,936</u>	<u>591,409</u>
<i>Excess of Revenues Over Expenditures</i>	<u>3,330,630</u>	<u>3,912,631</u>	<u>582,001</u>
Other Financing Sources (Uses):			
Advances-In	36,764	36,764	0
Transfers-In	97,780	0	(97,780)
Transfers-Out	(4,680,643)	(4,623,389)	57,254
<i>Total Other Financing Sources (Uses)</i>	<u>(4,546,099)</u>	<u>(4,586,625)</u>	<u>(40,526)</u>
<i>Net Change in Fund Balance</i>	(1,215,469)	(673,994)	541,475
<i>Fund Balance at Beginning of Year</i>	4,510,646	4,510,646	0
<i>Prior Year Encumbrances Appropriated</i>	<u>86,632</u>	<u>86,632</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$3,381,809</u></u>	<u><u>\$3,923,284</u></u>	<u><u>\$541,475</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, 2008

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Property Taxes	\$404,000	\$371,581	(\$32,419)
Fines, Licenses and Permits	1,200	2,455	1,255
Charges for Services	1,179,421	1,160,590	(18,831)
Intergovernmental	665,424	721,768	56,344
Other	10,282	18,898	8,616
<i>Total Revenues</i>	<u>2,260,327</u>	<u>2,275,292</u>	<u>14,965</u>
Expenditures:			
Current:			
Public Safety			
Fire Administrative Services			
Personal Services	421,427	419,636	1,791
Contractual Services	413,739	397,185	16,554
Materials and Supplies	20,735	21,745	(1,010)
<i>Total Fire Administrative Services</i>	<u>855,901</u>	<u>838,566</u>	<u>17,335</u>
Fire Life Safety			
Personal Services	125,713	125,285	428
Contractual Services	1,055	198	857
Materials and Supplies	3,963	4,517	(554)
<i>Total Fire Life Safety</i>	<u>130,731</u>	<u>130,000</u>	<u>731</u>
Fire Operations			
Personal Services	4,761,786	4,756,869	4,917
Contractual Services	16,305	15,051	1,254
Materials and Supplies	176,562	175,509	1,053
<i>Total Fire Operations</i>	<u>4,954,653</u>	<u>4,947,429</u>	<u>7,224</u>
Training			
Personal Services	237,811	235,285	2,526
Contractual Services	22,216	20,084	2,132
Materials and Supplies	22,806	23,747	(941)
<i>Total Training</i>	<u>282,833</u>	<u>279,116</u>	<u>3,717</u>
<i>Total Expenditures</i>	<u>6,224,118</u>	<u>6,195,111</u>	<u>29,007</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(3,963,791)	(3,919,819)	43,972
Other Financing Sources:			
Transfers-In	4,008,791	3,953,035	(55,756)
<i>Net Change in Fund Balance</i>	45,000	33,216	(11,784)
<i>Fund Balance at Beginning of Year</i>	2	2	0
<i>Prior Year Encumbrances Appropriated</i>	5,118	5,118	0
<i>Fund Balance at End of Year</i>	<u>\$50,120</u>	<u>\$38,336</u>	<u>(\$11,784)</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, 2008

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Property Taxes	\$140,760	\$132,932	(\$7,828)
Charges for Services	43,153	36,587	(6,566)
Intergovernmental	12,240	16,671	4,431
Special Assessments	445,000	465,434	20,434
<i>Total Revenues</i>	<u>641,153</u>	<u>651,624</u>	<u>10,471</u>
Expenditures:			
Current:			
General Government			
Special Assessments			
Contractual Services	70,058	68,445	1,613
Debt Service			
Principal Retirement	487,412	477,412	10,000
Interest and Fiscal Charges	130,222	128,750	1,472
<i>Total Debt Service</i>	<u>617,634</u>	<u>606,162</u>	<u>11,472</u>
<i>Total Expenditures</i>	<u>687,692</u>	<u>674,607</u>	<u>13,085</u>
<i>Net Change in Fund Balance</i>	(46,539)	(22,983)	23,556
<i>Fund Balance at Beginning of Year</i>	<u>369,159</u>	<u>369,159</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>\$322,620</u>	<u>\$346,176</u>	<u>\$23,556</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, 2008

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Revenue in Lieu of Taxes	\$99,324	\$99,324	\$0
Other	18,371	18,371	0
<i>Total Revenues</i>	<u>117,695</u>	<u>117,695</u>	<u>0</u>
Expenditures:			
Current:			
General Government			
Tax Increment Financing			
Contractual Services	13,532	14,374	(842)
Debt Service			
Principal Retirement	1,758,719	1,758,719	0
Interest and Fiscal Charges	98,767	98,767	0
<i>Total Debt Service</i>	<u>1,857,486</u>	<u>1,857,486</u>	<u>0</u>
<i>Total Expenditures</i>	<u>1,871,018</u>	<u>1,871,860</u>	<u>(842)</u>
<i>Excess of Revenues Under Expenditures</i>	(1,753,323)	(1,754,165)	(842)
Other Financing Sources:			
Notes Issued	1,761,000	1,761,000	0
<i>Net Change in Fund Balance</i>	7,677	6,835	(842)
<i>Fund Balance at Beginning of Year</i>	<u>13,830</u>	<u>13,830</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>\$21,507</u>	<u>\$20,665</u>	<u>(\$842)</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, 2008

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for Services	\$3,276,864	\$3,322,309	\$45,445
Tap-In Fees	70,000	78,320	8,320
Investment Earnings	15,000	60,317	45,317
Grants	0	2,979	2,979
Notes Issued	3,748,383	3,732,000	(16,383)
Other	18,500	27,958	9,458
<i>Total Revenues</i>	<u>7,128,747</u>	<u>7,223,883</u>	<u>95,136</u>
Expenses:			
Personal Services	999,975	977,062	22,913
Contractual Services	1,586,660	1,234,300	352,360
Materials and Supplies	190,203	168,901	21,302
Capital Outlay	2,970,805	1,675,917	1,294,888
Debt Service:			
Principal Retirement	2,877,435	2,877,435	0
Interest and Fiscal Charges	210,834	210,834	0
<i>Total Expenses</i>	<u>8,835,912</u>	<u>7,144,449</u>	<u>1,691,463</u>
<i>Excess of Revenues Over (Under) Expenses</i>	(1,707,165)	79,434	1,786,599
Transfers-In	768,484	0	(768,484)
Transfers-Out	(770,043)	0	770,043
<i>Net Change in Fund Equity</i>	(1,708,724)	79,434	1,788,158
<i>Fund Equity at Beginning of Year</i>	1,086,155	1,086,155	0
<i>Prior Year Encumbrances Appropriated</i>	<u>1,405,702</u>	<u>1,405,702</u>	<u>0</u>
<i>Fund Equity at End of Year</i>	<u><u>\$783,133</u></u>	<u><u>\$2,571,291</u></u>	<u><u>\$1,788,158</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, 2008

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for Services	\$5,448,847	\$5,266,700	(\$182,147)
Tap-In Fees	72,000	139,490	67,490
Investment Earnings	50,000	102,375	52,375
Grants	0	1,578	1,578
Notes Issued	7,414,998	7,148,000	(266,998)
Other	4,048	41,654	37,606
<i>Total Revenues</i>	<u>12,989,893</u>	<u>12,699,797</u>	<u>(290,096)</u>
Expenses:			
Personal Services	1,478,682	1,448,263	30,419
Contractual Services	2,039,730	1,894,736	144,994
Materials and Supplies	284,215	227,648	56,567
Capital Outlay	5,983,611	5,509,776	473,835
Debt Service:			
Principal Retirement	4,924,703	4,924,703	0
Interest and Fiscal Charges	424,552	424,552	0
<i>Total Expenses</i>	<u>15,135,493</u>	<u>14,429,678</u>	<u>705,815</u>
<i>Excess of Revenues Over (Under) Expenses</i>	(2,145,600)	(1,729,881)	415,719
Transfers-In	1,628,362	0	(1,628,362)
Transfers-Out	(1,628,362)	0	1,628,362
<i>Net Change in Fund Equity</i>	(2,145,600)	(1,729,881)	415,719
<i>Fund Equity at Beginning of Year</i>	3,919,700	3,919,700	0
<i>Prior Year Encumbrances Appropriated</i>	<u>529,694</u>	<u>529,694</u>	<u>0</u>
<i>Fund Equity at End of Year</i>	<u><u>\$2,303,794</u></u>	<u><u>\$2,719,513</u></u>	<u><u>\$415,719</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, 2008

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for Services	\$2,290,523	\$2,394,094	\$103,571
Expenses:			
Personal Services	83,013	77,038	5,975
Contractual Services	2,557,717	2,550,934	6,783
Materials and Supplies	24,017	20,737	3,280
<i>Total Expenses</i>	<u>2,664,747</u>	<u>2,648,709</u>	<u>16,038</u>
<i>Net Change in Fund Equity</i>	(374,224)	(254,615)	119,609
<i>Fund Equity at Beginning of Year</i>	611,744	611,744	0
<i>Prior Year Encumbrances Appropriated</i>	<u>253,379</u>	<u>253,379</u>	<u>0</u>
<i>Fund Equity at End of Year</i>	<u><u>\$490,899</u></u>	<u><u>\$610,508</u></u>	<u><u>\$119,609</u></u>

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, 2008

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Investment Earnings	\$0	\$34,090	\$34,090
Intergovernmental	1,170,759	1,137,314	(33,445)
Other	2,614	8,482	5,868
<i>Total Revenues</i>	<u>1,173,373</u>	<u>1,179,886</u>	<u>6,513</u>
Expenditures:			
Current:			
Transportation and Street Repair			
General Street Administration			
Personal Services	105,126	103,048	2,078
Contractual Services	111,192	100,316	10,876
Materials and Supplies	3,217	2,635	582
<i>Total General Street Administration</i>	<u>219,535</u>	<u>205,999</u>	<u>13,536</u>
Maintenance and Repairs			
Personal Services	365,011	326,698	38,313
Contractual Services	2,924	2,668	256
Materials and Supplies	276,751	261,218	15,533
<i>Total Maintenance and Repairs</i>	<u>644,686</u>	<u>590,584</u>	<u>54,102</u>
Traffic Signs and Signals			
Personal Services	111,115	92,588	18,527
Contractual Services	51,678	53,596	(1,918)
Materials and Supplies	41,634	32,507	9,127
<i>Total Traffic Signs and Signals</i>	<u>204,427</u>	<u>178,691</u>	<u>25,736</u>
<i>Total Transportation and Street Repair</i>	<u>1,068,648</u>	<u>975,274</u>	<u>93,374</u>
Capital Outlay			
Capital Outlay	217,243	180,234	37,009
<i>Total Expenditures</i>	<u>1,285,891</u>	<u>1,155,508</u>	<u>130,383</u>
<i>Net Change in Fund Balance</i>	(112,518)	24,378	136,896
<i>Fund Balance at Beginning of Year</i>	680,173	680,173	0
<i>Prior Year Encumbrances Appropriated</i>	<u>151,896</u>	<u>151,896</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>\$719,551</u>	<u>\$856,447</u>	<u>\$136,896</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, 2008

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Investment Earnings	\$920	\$4,603	\$3,683
Intergovernmental	94,585	91,176	(3,409)
Other	1,949	53	(1,896)
<i>Total Revenues</i>	<u>97,454</u>	<u>95,832</u>	<u>(1,622)</u>
Expenditures:			
Current:			
Transportation and Street Repair			
State Highway Maintenance			
Personal Services	50,867	45,327	5,540
Contractual Services	6,333	5,063	1,270
Materials and Supplies	23,970	20,049	3,921
<i>Total Expenditures</i>	<u>81,170</u>	<u>70,439</u>	<u>10,731</u>
<i>Net Change in Fund Balance</i>	16,284	25,393	9,109
<i>Fund Balance at Beginning of Year</i>	107,204	107,204	0
<i>Prior Year Encumbrances Appropriated</i>	<u>637</u>	<u>637</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$124,125</u></u>	<u><u>\$133,234</u></u>	<u><u>\$9,109</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, 2008

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for Services	\$19,100	\$25,516	\$6,416
Other	253	367	114
<i>Total Revenues</i>	<u>19,353</u>	<u>25,883</u>	<u>6,530</u>
Expenditures:			
Current:			
Public Health and Welfare			
Cemetery Operations			
Personal Services	80,795	67,092	13,703
Contractual Services	10,989	10,503	486
Materials and Supplies	7,405	5,098	2,307
<i>Total Public Health and Welfare</i>	<u>99,189</u>	<u>82,693</u>	<u>16,496</u>
Capital Outlay			
Capital Outlay	1,600	1,444	156
<i>Total Expenditures</i>	<u>100,789</u>	<u>84,137</u>	<u>16,652</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(81,436)	(58,254)	23,182
Other Financing Sources:			
Transfers-In	80,530	39,392	(41,138)
<i>Net Change in Fund Balance</i>	(906)	(18,862)	(17,956)
<i>Fund Balance at Beginning of Year</i>	18,375	18,375	0
<i>Prior Year Encumbrances Appropriated</i>	<u>614</u>	<u>614</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>\$18,083</u>	<u>\$127</u>	<u>(\$17,956)</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, 2008

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$409,280	\$188,382	(\$220,898)
Other	3,408	4,665	1,257
<i>Total Revenues</i>	<u>412,688</u>	<u>193,047</u>	<u>(219,641)</u>
Expenditures:			
Current:			
Community Development			
Entitlement Administration			
Personal Services	60,836	60,843	(7)
Contractual Services	27,480	5,719	21,761
<i>Total Entitlement Administration</i>	<u>88,316</u>	<u>66,562</u>	<u>21,754</u>
Entitlement Housing Rehab			
Personal Services	8,972	331	8,641
Contractual Services	119,074	103,316	15,758
<i>Total Entitlement Housing Rehab</i>	<u>128,046</u>	<u>103,647</u>	<u>24,399</u>
Entitlement Emergency Rehab			
Contractual Services	14,781	3,682	11,099
Code Enforcement			
Personal Services	61,761	56,839	4,922
Contractual Services	7,401	8,861	(1,460)
Materials and Supplies	7,579	2,896	4,683
<i>Total Code Enforcement</i>	<u>76,741</u>	<u>68,596</u>	<u>8,145</u>
Entitlement Fair Housing			
Contractual Services	12,688	8,038	4,650
Materials and Supplies	750	133	617
<i>Total Entitlement Fair Housing</i>	<u>13,438</u>	<u>8,171</u>	<u>5,267</u>
Chip DPA/Housing Rehab			
Contractual Services	1,000	0	1,000
Chip Owner Occupied Rehab			
Contractual Services	4,000	0	4,000
Tool Lending Closet			
Personal Services	12,045	9,949	2,096
Materials and Supplies	2,285	21	2,264
<i>Total Lending Closet</i>	<u>14,330</u>	<u>9,970</u>	<u>4,360</u>
Downtown Streetscape Project			
Contractual Services	0	130	(130)
Downtown FA/ADE Project			
Contractual Services	2,400	0	2,400
<i>Total Community Development</i>	<u>\$343,052</u>	<u>\$260,758</u>	<u>\$82,294</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, 2008
(Continued)

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Capital Outlay			
Capital Outlay	\$109,231	\$35,084	\$74,147
Debt Service			
Principal Retirement	27,600	0	27,600
<i>Total Expenditures</i>	<u>479,883</u>	<u>295,842</u>	<u>184,041</u>
<i>Net Change in Fund Balance</i>	(67,195)	(102,795)	(35,600)
<i>Fund Balance at Beginning of Year</i>	77,294	77,294	0
<i>Prior Year Encumbrances Appropriated</i>	<u>28,084</u>	<u>28,084</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$38,183</u></u>	<u><u>\$2,583</u></u>	<u><u>(\$35,600)</u></u>

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, 2008

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Fines, Licenses and Permits	\$18,000	\$18,568	\$568
Intergovernmental	58,392	55,519	(2,873)
Other	225	250	25
<i>Total Revenues</i>	<u>76,617</u>	<u>74,337</u>	<u>(2,280)</u>
Expenditures:			
Current:			
Public Safety			
Administration			
Personal Services	108,584	108,181	403
Contractual Services	3,635	3,486	149
Materials and Supplies	425	295	130
<i>Total Public Safety</i>	<u>112,644</u>	<u>111,962</u>	<u>682</u>
Capital Outlay			
Capital Outlay	0	249	(249)
<i>Total Expenditures</i>	<u>112,644</u>	<u>112,211</u>	<u>433</u>
<i>Excess of Revenues Under Expenditures</i>	(36,027)	(37,874)	(1,847)
Other Financing Sources:			
Transfers-In	36,000	35,407	(593)
<i>Net Change in Fund Balance</i>	(27)	(2,467)	(2,440)
<i>Fund Balance at Beginning of Year</i>	<u>12,055</u>	<u>12,055</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>\$12,028</u>	<u>\$9,588</u>	<u>(\$2,440)</u>

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, 2008

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Property Taxes	\$152,000	\$142,282	(\$9,718)
Intergovernmental	28,061	37,010	8,949
<i>Total Revenues</i>	180,061	179,292	(769)
Expenditures:			
Current:			
Public Safety			
Street Lighting			
Contractual Services	355,672	352,861	2,811
<i>Excess of Revenues Over (Under) Expenditures</i>	(175,611)	(173,569)	2,042
Other Financing Sources:			
Transfers-In	175,000	168,297	(6,703)
<i>Net Change in Fund Balance</i>	(611)	(5,272)	(4,661)
<i>Fund Balance at Beginning of Year</i>	6,062	6,062	0
<i>Fund Balance at End of Year</i>	\$5,451	\$790	(\$4,661)

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, 2008

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Municipal Income Taxes	\$660,285	\$961,517	\$301,232
Investment Earnings	0	20,116	20,116
Intergovernmental	68,000	66,414	(1,586)
Other	0	8,460	8,460
<i>Total Revenues</i>	<u>728,285</u>	<u>1,056,507</u>	<u>328,222</u>
Expenditures:			
Current:			
Transportation and Street Repair			
DYS Road Widening			
Contractual Services	<u>178,616</u>	<u>77,605</u>	<u>101,011</u>
Maple Ave. Curb Grinding			
Personal Services	365	365	0
Contractual Services	<u>1,676</u>	<u>1,676</u>	<u>0</u>
<i>Total Maple Ave. Curb Grinding</i>	<u>2,041</u>	<u>2,041</u>	<u>0</u>
Street Tax Levy			
Contractual Services	<u>43,825</u>	<u>38,270</u>	<u>5,555</u>
<i>Total Transportation and Street Repair</i>	<u>224,482</u>	<u>117,916</u>	<u>106,566</u>
Capital Outlay			
Capital Outlay	<u>1,402,158</u>	<u>1,301,394</u>	<u>100,764</u>
Debt Service			
Principal Retirement	281,281	281,281	0
Interest and Fiscal Charges	<u>1,694</u>	<u>1,694</u>	<u>0</u>
<i>Total Debt Service</i>	<u>282,975</u>	<u>282,975</u>	<u>0</u>
<i>Total Expenditures</i>	<u>1,909,615</u>	<u>1,702,285</u>	<u>207,330</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(1,181,330)</u>	<u>(645,778)</u>	<u>535,552</u>
Other Financing Sources (Uses):			
Notes Issued	885,210	719,000	(166,210)
Transfers-Out	(4,799)	(4,799)	0
Advances-Out	<u>(36,764)</u>	<u>(36,764)</u>	<u>0</u>
<i>Total Other Financing Sources (Uses)</i>	<u>843,647</u>	<u>677,437</u>	<u>(166,210)</u>
<i>Net Change in Fund Balance</i>	(337,683)	31,659	369,342
<i>Fund Balance at Beginning of Year</i>	131,947	131,947	0
<i>Prior Year Encumbrances Appropriated</i>	<u>99,857</u>	<u>99,857</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>(\$105,879)</u>	<u>\$263,463</u>	<u>\$369,342</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, 2008

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Other	\$115,730	\$45,803	(\$69,927)
Expenditures:			
Current:			
Public Safety			
Safety City			
Personal Services	1,984	1,665	319
Contractual Services	35,395	27,864	7,531
Materials and Supplies	15,284	4,993	10,291
<i>Total Safety City</i>	52,663	34,522	18,141
DARE Program			
Personal Services			0
Contractual Services	2,000	203	1,797
Materials and Supplies	8,526	5,980	2,546
<i>Total DARE Program</i>	10,526	6,183	4,343
<i>Total Public Safety</i>	63,189	40,705	22,484
Capital Outlay			
Capital Outlay	46,000	1,186	44,814
<i>Total Expenditures</i>	109,189	41,891	67,298
<i>Net Change in Fund Balance</i>	6,541	3,912	(2,629)
<i>Fund Balance at Beginning of Year</i>	71,456	71,456	0
<i>Fund Balance at End of Year</i>	\$77,997	\$75,368	(\$2,629)

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, 2008

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Other	\$2,500	\$2,003	(\$497)
Expenditures:			
Current:			
Public Safety			
Drug Law Enforcement			
Contractual Services	1,000	0	1,000
Materials and Supplies	2,500	0	2,500
<i>Total Expenditures</i>	3,500	0	3,500
<i>Net Change in Fund Balance</i>	(1,000)	2,003	3,003
<i>Fund Balance at Beginning of Year</i>	6,462	6,462	0
<i>Fund Balance at End of Year</i>	\$5,462	\$8,465	\$3,003

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, 2008

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Municipal Income Taxes	\$1,124,130	\$866,588	(\$257,542)
Investment Earnings	0	36,117	36,117
Intergovernmental	136,000	132,848	(3,152)
Other	0	3,555	3,555
<i>Total Revenues</i>	<u>1,260,130</u>	<u>1,039,108</u>	<u>(221,022)</u>
Expenditures:			
Current:			
Transportation and Street Repair			
Street Tax Levy			
Contractual Services	71,249	57,141	14,108
Capital Outlay			
Capital Outlay	933,395	815,877	117,518
<i>Total Expenditures</i>	<u>1,004,644</u>	<u>873,018</u>	<u>131,626</u>
<i>Net Change in Fund Balance</i>	255,486	166,090	(89,396)
<i>Fund Balance at Beginning of Year</i>	241,230	241,230	0
<i>Prior Year Encumbrances Appropriated</i>	<u>119,607</u>	<u>119,607</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>\$616,323</u>	<u>\$526,927</u>	<u>(\$89,396)</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, 2008

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Fines, Licenses and Permits	\$24,750	\$31,716	\$6,966
Expenditures:			
Current:			
Public Safety			
Law Enforcement			
Contractual Services	45,650	45,650	0
<i>Net Change in Fund Balance</i>	(20,900)	(13,934)	6,966
<i>Fund Balance at Beginning of Year</i>	380,715	380,715	0
<i>Fund Balance at End of Year</i>	\$359,815	\$366,781	\$6,966

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, 2008

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Fines, Licenses and Permits	\$3,800	\$4,239	\$439
Expenditures:			
Current:			
Public Safety			
Law Enforcement			
Contractual Services	6,000	3,270	2,730
Materials and Supplies	1,500	1,600	(100)
<i>Total Expenditures</i>	7,500	4,870	2,630
<i>Net Change in Fund Balance</i>	(3,700)	(631)	3,069
<i>Fund Balance at Beginning of Year</i>	7,345	7,345	0
<i>Fund Balance at End of Year</i>	\$3,645	\$6,714	\$3,069

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, 2008

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Fines, Licenses and Permits	\$180,000	\$223,144	\$43,144
Investment Earnings	10,000	10,441	441
Intergovernmental	3,800	2,800	(1,000)
Other	0	15,610	15,610
<i>Total Revenues</i>	<u>193,800</u>	<u>251,995</u>	<u>58,195</u>
Expenditures:			
Current:			
Public Safety			
Law Enforcement			
Contractual Services	17,400	2,333	15,067
Materials and Supplies	37,000	9,887	27,113
<i>Total Public Safety</i>	54,400	12,220	42,180
Capital Outlay			
Capital Outlay	306,000	118,156	187,844
<i>Total Expenditures</i>	<u>360,400</u>	<u>130,376</u>	<u>230,024</u>
<i>Net Change in Fund Balance</i>	(166,600)	121,619	288,219
<i>Fund Balance at Beginning of Year</i>	<u>189,107</u>	<u>189,107</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$22,507</u></u>	<u><u>\$310,726</u></u>	<u><u>\$288,219</u></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, 2008

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Fines, Licenses and Permits	\$88,500	\$104,014	\$15,514
Expenditures:			
Current:			
Public Safety			
Law Enforcement			
Personal Services	133,702	129,459	4,243
Contractual Services	1,800	1,277	523
Materials and Supplies	500	2,324	(1,824)
<i>Total Public Safety</i>	136,002	133,060	2,942
Capital Outlay			
Capital Outlay	12,500	4,412	8,088
<i>Total Expenditures</i>	148,502	137,472	11,030
<i>Net Change in Fund Balance</i>	(60,002)	(33,458)	26,544
<i>Fund Balance at Beginning of Year</i>	343,958	343,958	0
<i>Fund Balance at End of Year</i>	\$283,956	\$310,500	\$26,544

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, 2008

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

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, 2008

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Other	\$20,000	\$42,185	\$22,185
Expenditures:			
Current:			
General Government			
Uninsured Loss			
Contractual Services	41,750	40,892	858
Materials and Supplies	3,000	2,598	402
<i>Total Expenditures</i>	44,750	43,490	1,260
<i>Net Change in Fund Balance</i>	(24,750)	(1,305)	23,445
<i>Fund Balance at Beginning of Year</i>	123,461	123,461	0
<i>Prior Year Encumbrances Appropriated</i>	1,750	1,750	0
<i>Fund Balance at End of Year</i>	\$100,461	\$123,906	\$23,445

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, 2008

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$1,050,000	\$760,184	(\$289,816)
Expenditures:			
Current:			
Transportation and Street Repair Issue II Improvements			
Contractual Services	4,235	4,799	(564)
Capital Outlay			
Capital Outlay	851,000	760,184	90,816
<i>Total Expenditures</i>	<u>855,235</u>	<u>764,983</u>	<u>90,252</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	194,765	(4,799)	(199,564)
Other Financing Sources:			
Transfers-In	438,013	4,799	(433,214)
<i>Net Change in Fund Balance</i>	632,778	0	(632,778)
<i>Fund Balance (Deficit) at Beginning of Year</i>	(32,609)	(32,609)	0
<i>Prior Year Encumbrances Appropriated</i>	<u>32,609</u>	<u>32,609</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>\$632,778</u>	<u>\$0</u>	<u>(\$632,778)</u>

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, 2008

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Fines, Licenses and Permits	\$222,000	\$224,466	\$2,466
Expenditures:			
Current:			
General Government			
Municipal Court Capital			
Personal Services	119,994	119,461	533
Contractual Services	12,600	5,657	6,943
Materials and Supplies	250	451	(201)
<i>Total Municipal Court Capital</i>	132,844	125,569	7,275
Municipal Court Technology			
Contractual Services	23,500	10,637	12,863
<i>Total General Government</i>	156,344	136,206	20,138
Capital Outlay			
Capital Outlay	140,700	12,564	128,136
<i>Total Expenditures</i>	297,044	148,770	148,274
<i>Net Change in Fund Balance</i>	(75,044)	75,696	150,740
<i>Fund Balance at Beginning of Year</i>	111,076	111,076	0
<i>Prior Year Encumbrances Appropriated</i>	103	103	0
<i>Fund Balance at End of Year</i>	\$36,135	\$186,875	\$150,740

City of Fairborn, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Court Speical Projects Fund
For the Year Ended December 31, 2008

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Fines, Licenses and Permits	\$185,000	\$173,362	(\$11,638)
Expenditures:			
Current:			
General Government			
Court Speical Projects			
Contractual Services	134,450	134,450	0
<i>Net Change in Fund Balance</i>	50,550	38,912	(11,638)
<i>Fund Balance at Beginning of Year</i>	28,177	28,177	0
<i>Fund Balance at End of Year</i>	\$78,727	\$67,089	(\$11,638)

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, 2008

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Investment Earnings	\$10,000	\$12,071	\$2,071
Intergovernmental	303,600	84,040	(219,560)
<i>Total Revenues</i>	313,600	96,111	(217,489)
Expenditures:			
Current:			
General Government			
General Capital Improvement			
Contractual Services	104,634	99,153	5,481
Materials and Supplies	25,000	13,605	11,395
<i>Total General Government</i>	129,634	112,758	16,876
Capital Outlay			
Capital Outlay	560,732	505,609	55,123
Debt Service			
Principal Retirement	30,000	30,000	0
Interest and Fiscal Charges	3,000	3,000	0
<i>Total Debt Service</i>	33,000	33,000	0
<i>Total Expenditures</i>	723,366	651,367	71,999
<i>Excess of Revenues Under Expenditures</i>	(409,766)	(555,256)	(145,490)
Other Financing Sources:			
Transfers-In	206,903	206,903	0
<i>Net Change in Fund Balance</i>	(202,863)	(348,353)	(145,490)
<i>Fund Balance at Beginning of Year</i>	432,947	432,947	0
<i>Prior Year Encumbrances Appropriated</i>	7,829	7,829	0
<i>Fund Balance at End of Year</i>	\$237,913	\$92,423	(\$145,490)

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, 2008

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Other Local Taxes	\$100,000	\$91,887	(\$8,113)
Charges for Services	15,800	15,800	0
Investment Earnings	7,500	13,149	5,649
Intergovernmental	2,750	142,697	139,947
Other	7,500	5,224	(2,276)
<i>Total Revenues</i>	<u>133,550</u>	<u>268,757</u>	<u>135,207</u>
Expenditures:			
Current:			
Leisure Time Activities			
Park and Recreation Improvements			
Contractual Services	2,750	486	2,264
Materials and Supplies	8,500	6,845	1,655
<i>Total Leisure Time Activities</i>	<u>11,250</u>	<u>7,331</u>	<u>3,919</u>
Capital Outlay			
Capital Outlay	<u>170,300</u>	<u>120,717</u>	<u>49,583</u>
<i>Total Expenditures</i>	<u>181,550</u>	<u>128,048</u>	<u>53,502</u>
<i>Net Change in Fund Balance</i>	(48,000)	140,709	188,709
<i>Fund Balance at Beginning of Year</i>	255,346	255,346	0
<i>Prior Year Encumbrances Appropriated</i>	<u>2,800</u>	<u>2,800</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>\$210,146</u>	<u>\$398,855</u>	<u>\$188,709</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, 2008

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Municipal Income Taxes	\$1,778,213	\$1,830,065	\$51,852
Charges for Services	0	3,265	3,265
Investment Earnings	19,000	21,569	2,569
Intergovernmental	272,864	298,745	25,881
Other	27,884	10,253	(17,631)
<i>Total Revenues</i>	<u>2,097,961</u>	<u>2,163,897</u>	<u>65,936</u>
Expenditures:			
Current:			
General Government			
EMS Tax Levy			
Personal Services	5,000	441	4,559
Contractual Services	211,408	94,432	116,976
Materials and Supplies	25,400	23,388	2,012
<i>Total General Government</i>	<u>241,808</u>	<u>118,261</u>	<u>123,547</u>
Capital Outlay			
Capital Outlay	415,994	413,541	2,453
Debt Service			
Principal Retirement	1,420,000	1,420,000	0
Interest and Fiscal Charges	317,350	314,850	2,500
<i>Total Debt Service</i>	<u>1,737,350</u>	<u>1,734,850</u>	<u>2,500</u>
<i>Total Expenditures</i>	<u>2,395,152</u>	<u>2,266,652</u>	<u>128,500</u>
<i>Net Change in Fund Balance</i>	(297,191)	(102,755)	194,436
<i>Fund Balance (Deficit) at Beginning of Year</i>	(167,133)	(167,133)	0
<i>Prior Year Encumbrances Appropriated</i>	315,723	315,723	0
<i>Fund Balance at End of Year</i>	<u>(\$148,601)</u>	<u>\$45,835</u>	<u>\$194,436</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, 2008

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$0	\$193,104	\$193,104
Other	1,226	5,533	4,307
<i>Total Revenues</i>	<u>1,226</u>	<u>198,637</u>	<u>197,411</u>
Expenditures:			
Current:			
General Government			
Building and Land			
Contractual Services	19,949	16,338	3,611
Materials and Supplies	35,660	15,431	20,229
<i>Total General Government</i>	<u>55,609</u>	<u>31,769</u>	<u>23,840</u>
Capital Outlay			
Capital Outlay	528,672	543,868	(15,196)
Debt Service			
Principal Retirement	350,000	350,000	0
Interest and Fiscal Charges	29,569	30,892	(1,323)
<i>Total Debt Service</i>	<u>379,569</u>	<u>380,892</u>	<u>(1,323)</u>
<i>Total Expenditures</i>	<u>963,850</u>	<u>956,529</u>	<u>7,321</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(962,624)</u>	<u>(757,892)</u>	<u>204,732</u>
Other Financing Sources:			
General Obligation Bonds Issued	326,408	0	(326,408)
Notes Issued	323,774	650,000	326,226
Transfers-In	220,355	220,355	0
<i>Total Other Financing Sources</i>	<u>870,537</u>	<u>870,355</u>	<u>(182)</u>
<i>Net Change in Fund Balance</i>	(92,087)	112,463	204,550
<i>Fund Balance at Beginning of Year</i>	162,047	162,047	0
<i>Prior Year Encumbrances Appropriated</i>	<u>12,101</u>	<u>12,101</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$82,061</u></u>	<u><u>\$286,611</u></u>	<u><u>\$204,550</u></u>

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, 2008

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for Services	\$114,429	\$92,243	(\$22,186)
Other	3,396	3,396	0
<i>Total Revenues</i>	<u>117,825</u>	<u>95,639</u>	<u>(22,186)</u>
Expenditures:			
Current:			
General Government			
Special Assessments Construction			
Contractual Services	24,500	6,422	18,078
Capital Outlay			
Capital Outlay	175,239	175,239	0
Debt Service			
Principal Retirement	370,000	370,000	0
Interest and Fiscal Charges	33,859	28,619	5,240
<i>Total Debt Service</i>	<u>403,859</u>	<u>398,619</u>	<u>5,240</u>
<i>Total Expenditures</i>	<u>603,598</u>	<u>580,280</u>	<u>23,318</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(485,773)</u>	<u>(484,641)</u>	<u>1,132</u>
Other Financing Sources:			
General Obligation Bonds Issued	280,000	280,000	0
Notes Issued	260,000	260,000	0
<i>Total Other Financing Sources</i>	<u>540,000</u>	<u>540,000</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	54,227	55,359	1,132
<i>Fund Balance at Beginning of Year</i>	<u>148,224</u>	<u>148,224</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>\$202,451</u>	<u>\$203,583</u>	<u>\$1,132</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, 2008

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for Services	\$1,455,934	\$1,496,685	\$40,751
Other	500	1,646	1,146
<i>Total Revenues</i>	<u>1,456,434</u>	<u>1,498,331</u>	<u>41,897</u>
Expenses:			
Personal Services	513,731	502,802	10,929
Contractual Services	49,943	46,066	3,877
Materials and Supplies	937,425	897,675	39,750
Capital Outlay	39,340	34,840	4,500
<i>Total Expenses</i>	<u>1,540,439</u>	<u>1,481,383</u>	<u>59,056</u>
<i>Net Change in Fund Equity</i>	(84,005)	16,948	100,953
<i>Fund Equity at Beginning of Year</i>	66,122	66,122	0
<i>Prior Year Encumbrances Appropriated</i>	<u>33,275</u>	<u>33,275</u>	<u>0</u>
<i>Fund Equity at End of Year</i>	<u><u>\$15,392</u></u>	<u><u>\$116,345</u></u>	<u><u>\$100,953</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, 2008

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for Services	\$532,616	\$524,118	(\$8,498)
Other	150	127	(23)
<i>Total Revenues</i>	<u>532,766</u>	<u>524,245</u>	<u>(8,521)</u>
Expenses:			
Personal Services	251,152	248,869	2,283
Contractual Services	152,136	165,013	(12,877)
Materials and Supplies	16,000	11,377	4,623
Capital Outlay	111,215	102,950	8,265
<i>Total Expenses</i>	<u>530,503</u>	<u>528,209</u>	<u>2,294</u>
<i>Net Change in Fund Equity</i>	2,263	(3,964)	(6,227)
<i>Fund Equity at Beginning of Year</i>	8,384	8,384	0
<i>Prior Year Encumbrances Appropriated</i>	<u>946</u>	<u>946</u>	<u>0</u>
<i>Fund Equity at End of Year</i>	<u><u>\$11,593</u></u>	<u><u>\$5,366</u></u>	<u><u>(\$6,227)</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, 2008

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Investment Earnings	\$15,000	\$18,064	\$3,064
Expenses:			
Personal Services	64,147	63,817	330
Contractual Services	11,500	8,683	2,817
<i>Total Expenses</i>	75,647	72,500	3,147
<i>Net Change in Fund Equity</i>	(60,647)	(54,436)	6,211
<i>Fund Equity at Beginning of Year</i>	430,777	430,777	0
<i>Fund Equity at End of Year</i>	\$370,130	\$376,341	\$6,211



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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	142-151
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	152-160
These schedules contain information to help the reader assess the City’s most significant local revenue sources, property taxes and income taxes.	
Debt Capacity	162-171
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	172-173
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	174-179
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 Seven 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
\$53,703,616	\$52,488,251	\$54,537,585	\$57,573,335
5,536,261	9,740,033	6,871,704	10,611,938
7,725,904	5,223,383	9,007,506	7,221,856
<u>\$66,965,781</u>	<u>\$67,451,667</u>	<u>\$70,416,795</u>	<u>\$75,407,129</u>
\$9,458,159	\$10,090,771	\$9,928,349	\$11,700,861
7,517,353	6,670,119	7,169,040	6,733,325
<u>\$16,975,512</u>	<u>\$16,760,890</u>	<u>\$17,097,389</u>	<u>\$18,434,186</u>
\$63,161,775	\$62,579,022	\$64,465,934	\$69,274,196
5,536,261	9,740,033	6,871,704	10,611,938
15,243,257	11,893,502	16,176,546	13,955,181
<u>\$83,941,293</u>	<u>\$84,212,557</u>	<u>\$87,514,184</u>	<u>\$93,841,315</u>

City of Fairborn
Changes in Net Assets
Last Seven 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
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
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
\$4,113,140	\$4,804,288	\$4,255,380	\$4,468,225
1,313,898	1,498,951	1,637,736	1,643,651
60,430	65,446	64,074	15,800
292,286	254,979	279,014	0
0	0	897	0
34,073	32,022	29,696	27,171
2,274,918	2,504,549	2,910,842	2,852,492
528,654	2,186,866	672,689	1,867,845
8,617,399	11,347,101	9,850,328	10,875,184
2,805,354	2,759,818	2,975,569	3,410,484
4,594,321	4,840,354	4,944,647	5,466,151
2,010,264	2,144,265	2,246,696	2,396,874
0	0	0	5,813
0	0	0	3,170
9,409,939	9,744,437	10,166,912	11,282,492
18,027,338	21,091,538	20,017,240	22,157,676
9,772,999	10,850,767	9,425,790	8,784,812
11,379,893	13,282,937	12,753,371	13,011,273
257,014	486,746	300,073	301,791
1,080,955	1,147,616	1,042,518	932,039
1,187,932	1,214,199	1,391,534	1,461,350
172,154	109,854	103,575	79,371
663,995	598,655	726,456	577,333
24,514,942	27,690,774	25,743,317	25,147,969
3,204,297	3,038,417	3,289,099	3,274,444
4,535,248	5,155,747	4,514,767	4,717,417
2,027,626	2,054,612	2,523,416	2,109,350
9,767,171	10,248,776	10,327,282	10,101,211
\$34,282,113	\$37,939,550	\$36,070,599	\$35,249,180

(continued)

City of Fairborn
Changes in Net Assets
Last Seven Calendar 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
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
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 Type Net Assets	0	0	0
Prior Year Restatement of Buesiness-Type 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 tax by category

2005	2006	2007	2008
(\$15,897,543)	(\$16,343,673)	(\$15,892,989)	(\$14,272,785)
(357,232)	(504,339)	(160,370)	1,181,281
(16,254,775)	(16,848,012)	(16,053,359)	(13,091,504)
2,900,527	2,458,468	2,174,289	1,751,432
0	0	0	373,158
157,749	160,196	146,175	133,767
0	0	0	142,205
192,806	2,303,320	564,276	0
89,878	80,359	159,966	0
0	0	0	840,651
9,478,816	8,985,856	11,791,441	0
0	0	0	8,488,898
0	0	0	2,060,948
0	0	0	2,030,024
1,917,607	1,432,939	2,357,094	2,072,364
0	60,711	0	0
712,500	895,623	1,048,527	958,903
0	219,905	0	0
860,658	240,363	227,875	410,769
(11,614)	(8,181)	(11,212)	0
0	0	0	0
16,298,927	16,829,559	18,458,431	19,263,119
0	184,557	259,186	113,524
0	96,979	76,471	41,992
11,614	8,181	11,212	0
11,614	289,717	346,869	155,516
16,310,541	17,119,276	18,805,300	19,418,635
0	0	399,686	0
0	0	150,000	0
401,384	485,886	2,965,128	4,990,334
(345,618)	(214,622)	336,499	1,336,797
\$55,766	\$271,264	\$3,301,627	\$6,327,131

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

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
General Fund				
Reserved	\$507,791	\$228,371	\$177,974	\$568,219
Unreserved	<u>3,826,254</u>	<u>4,462,869</u>	<u>4,895,298</u>	<u>4,005,389</u>
Total General Fund	<u>4,334,045</u>	<u>4,691,240</u>	<u>5,073,272</u>	<u>4,573,608</u>
All Other Governmental Funds				
Reserved	950,024	1,699,671	1,248,572	1,115,820
Unreserved, Reported in:				
Special Revenue Funds	658,910	816,257	689,825	1,135,057
Debt Service Fund	0	0	0	0
Capital Projects Funds	<u>808,882</u>	<u>164,678</u>	<u>511,614</u>	<u>307,038</u>
Total all Other Governmental Funds	<u>2,417,816</u>	<u>2,680,606</u>	<u>2,450,011</u>	<u>2,557,915</u>
All Governmental Funds	<u><u>\$6,751,861</u></u>	<u><u>\$7,371,846</u></u>	<u><u>\$7,523,283</u></u>	<u><u>\$7,131,523</u></u>

2003	2004	2005	2006	2007	2008
\$245,934	\$217,896	\$168,628	\$245,018	\$134,360	\$202,949
3,790,060	3,776,580	4,641,173	5,202,888	5,577,044	4,496,405
4,035,994	3,994,476	4,809,801	5,447,906	5,711,404	4,699,354
1,507,275	743,955	2,188,633	1,916,625	747,853	650,135
1,118,846	1,100,078	1,026,335	2,500,629	2,342,636	2,678,806
0	0	0	380,838	369,454	346,215
978,497	1,051,916	7,144,789	(1,980,179)	(899,905)	(541,650)
3,604,618	2,895,949	10,359,757	2,817,913	2,560,038	3,133,506
\$7,640,612	\$6,890,425	\$15,169,558	\$8,265,819	\$8,271,442	\$7,832,860

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

	1999	2000	2001	2002
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)	8,189,785	8,735,721	8,765,407	8,993,618
Fines, Licenses and Permits	1,855,131	1,897,908	1,758,798	1,801,303
Charges for Services	2,588,715	2,527,421	3,240,197	3,368,475
Investment Earnings	512,422	825,924	668,771	361,252
Intergovernmental	4,371,334	5,228,410	5,016,154	4,938,871
Special Assessments	407,699	444,465	469,622	387,253
Other	401,080	259,730	617,671	599,130
Total Revenues	18,326,166	19,919,579	20,536,620	20,449,902
Expenditures:				
Current:				
General Government	5,147,581	5,459,244	5,496,951	5,752,593
Public Safety	8,575,288	8,865,052	9,685,004	9,868,946
Leisure Time Activities	176,494	183,547	183,800	161,955
Community Development	962,460	752,221	822,128	818,227
Transportation and Street Repair	766,452	834,842	789,720	899,133
Public Health and Welfare	135,882	142,944	151,234	152,562
Intergovernmental	0	0	0	0
Capital Outlay	1,657,716	2,348,026	2,608,648	2,743,730
Debt Service:				
Principal Retirement	421,000	423,000	459,000	426,000
Interest and Fiscal Charges	312,070	311,417	282,674	238,408
Total Expenditures	18,154,943	19,320,293	20,479,159	21,061,554
Excess of Revenues Over (Under) Expenditures	171,223	599,286	57,461	(611,652)
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	8,303	17,651	49,465	121,657
Issuance of Long-Term Capital-Related Debt	450,000	0	0	0
Proceeds from Refunding Bonds	0	0	1,370,000	0
Proceeds to Refunding Bond Escrow Agent	0	0	(1,349,848)	0
Special Assessments Bonds Issued	0	0	0	0
Refunding Notes Issued	0	0	0	0
Inception of Capital Lease	0	0	0	0
Transfers-In	961,182	1,139,291	1,180,867	1,505,756
Transfers-Out	(961,182)	(1,139,291)	(1,180,867)	(1,407,521)
Total Other Financing Sources (Uses)	458,303	17,651	69,617	219,892
Restatement of Prior Year Fund Balances	0	0	24,359	0
Net Change in Fund Balances	\$629,526	\$616,937	\$151,437	(\$391,760)
Debt Service as a Percentage of Noncapital Expenditures	4.4%	4.3%	4.1%	3.6%

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

2003	2004	2005	2006	2007	2008
\$0	\$0	\$0	\$0	\$0	\$2,389,176
0	0	0	0	0	840,651
0	0	0	0	0	10,194,655
0	0	0	0	0	294,409
9,341,627	9,430,916	12,748,456	14,340,781	14,175,271	0
1,733,554	1,576,265	1,673,142	1,835,529	1,946,954	2,404,118
3,552,641	4,017,814	4,140,685	4,257,434	3,943,296	3,368,842
233,397	235,220	695,348	895,623	1,049,461	1,000,056
4,862,993	4,713,476	4,964,424	5,164,926	5,196,126	6,287,601
450,642	325,991	496,664	543,391	477,094	317,084
439,315	773,721	811,522	521,639	289,418	410,769
<u>20,614,169</u>	<u>21,073,403</u>	<u>25,530,241</u>	<u>27,559,323</u>	<u>27,077,620</u>	<u>27,507,361</u>
5,777,571	5,831,092	6,735,946	6,477,723	6,066,276	6,780,642
9,976,207	10,329,612	10,912,325	12,564,172	12,254,446	12,519,358
170,123	176,296	195,785	410,110	211,967	206,165
873,993	850,517	1,033,507	1,059,955	1,004,676	915,623
866,139	843,820	1,056,935	1,018,784	1,328,606	1,123,628
155,009	158,972	170,082	89,967	104,930	79,775
0	0	0	0	0	195,085
2,469,469	2,990,691	5,632,627	11,390,490	4,252,263	4,545,832
435,000	506,208	1,176,700	1,387,422	1,562,422	1,540,702
241,730	227,380	667,870	626,558	755,436	625,846
<u>20,965,241</u>	<u>21,914,588</u>	<u>27,581,777</u>	<u>35,025,181</u>	<u>27,541,022</u>	<u>28,532,656</u>
<u>(351,072)</u>	<u>(841,185)</u>	<u>(2,051,536)</u>	<u>(7,465,858)</u>	<u>(463,402)</u>	<u>(1,025,295)</u>
0	0	281,454	0	0	0
0	62,056	0	0	0	0
31,307	55,451	18,710	65,300	15,237	0
760,000	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
0	0	0	0	0	135,000
0	107,924	42,119	0	0	171,713
1,897,171	1,248,277	3,057,305	4,077,630	4,127,372	4,839,170
<u>(1,848,307)</u>	<u>(1,170,495)</u>	<u>(3,068,919)</u>	<u>(4,085,811)</u>	<u>(4,138,584)</u>	<u>(4,839,170)</u>
<u>840,171</u>	<u>578,213</u>	<u>10,330,669</u>	<u>562,119</u>	<u>469,025</u>	<u>586,713</u>
<u>19,990</u>	<u>(487,215)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$509,089</u>	<u>(\$750,187)</u>	<u>\$8,279,133</u>	<u>(\$6,903,739)</u>	<u>\$5,623</u>	<u>(\$438,582)</u>
2.0%	2.1%	5.9%	6.6%	5.8%	9.2%

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
1999	\$339,788,000	\$970,822,857	\$21,750,640	\$24,716,636	\$28,479,115	\$113,916,460
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

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. Personal property tax is assessed on all tangible personal property used in business in Ohio. 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 in previous years at 25 percent for machinery and equipment and 23 percent for inventories. General business tangible personal property tax is being phased out. The assessment percentage for all property including inventory is 6.25 percent for 2008 and will be reduced to zero for 2009.

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	
\$390,017,755	\$1,109,455,954	35.15%	\$10.29
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

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

	1999	2000	2001	2002	2003
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	1.5297	1.5270	1.3522	1.3411
Commercial/Industrial and Public Utility Real	2.1656	2.1656	2.1941	1.8985	1.9509
General Business and Public Utility Personal	4.8000	4.8000	4.8000	4.8000	4.8000
1976 Street Light					
Residential/Agricultural Real	0.2868	0.2868	0.2863	0.2535	0.2515
Commercial/Industrial and Public Utility Real	0.4061	0.4061	0.4114	0.3560	0.3658
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	0.1100	0.0000	0.0000	0.0000
Commercial/Industrial and Public Utility Real	0.1100	0.1100	0.0000	0.0000	0.0000
General Business and Public Utility Personal	0.1100	0.1100	0.0000	0.0000	0.0000
1982 Emergency Medical Service					
Residential/Agricultural Real	0.5087	0.5087	0.5078	0.4497	0.4460
Commercial/Industrial and Public Utility Real	0.6318	0.6318	0.6401	0.5538	0.5692
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	0.4200	0.4000	0.2000	0.3000
Commercial/Industrial and Public Utility Real	0.4200	0.4200	0.4000	0.2000	0.3000
General Business and Public Utility Personal	0.4200	0.4200	0.4000	0.2000	0.3000
<i>Total Voted Millage by Type of Property</i>					
Residential/Agricultural Real	2.85520	2.85520	2.72110	2.25540	2.33860
Commercial/Industrial and Public Utility Real	3.73350	3.73350	3.64560	3.00830	3.18590
General Business and Public Utility Personal	7.23000	7.23000	7.10000	6.90000	7.00000
<i>Total Millage by Type of Property</i>					
Residential/Agricultural Real	5.35520	5.35520	5.22110	4.75540	4.83860
Commercial/Industrial and Public Utility Real	6.23350	6.23350	6.14560	5.50830	5.68590
General Business and Public Utility Personal	9.73000	9.73000	9.60000	9.40000	9.50000

2004	2005	2006	2007	2008
\$2.50000	\$2.50000	\$2.50000	\$2.50000	\$2.50000
1.3360	1.2619	1.2566	1.2535	1.1784
1.9694	1.8990	1.9108	1.9210	1.7922
4.8000	4.8000	4.8000	4.8000	4.8000
0.2505	0.2366	0.2356	0.2350	0.2209
0.3693	0.3561	0.3583	0.3602	0.3360
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
0.4443	0.4196	0.4179	0.4169	0.3919
0.5745	0.5540	0.5575	0.5604	0.5229
1.0000	1.0000	1.0000	1.0000	1.0000
0.3000	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
2.33080	2.21810	2.21010	2.18540	2.09120
3.21320	3.10910	3.12660	3.12160	2.95110
7.00000	7.00000	7.00000	6.98000	7.00000
4.83080	4.71810	4.71010	4.68540	4.59120
5.71320	5.60910	5.62660	5.62160	5.45110
9.50000	9.50000	9.50000	9.48000	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

	1999	2000	2001	2002	2003
Fairborn City School District					
Residential/Agricultural Real	\$22.8401	\$22.8401	\$22.9000	\$22.9000	\$22.6000
Commercial/Industrial and Public Utility Real	26.6968	26.6968	26.9583	24.3519	24.5718
General Business and Public Utility Personal	44.6400	44.6400	44.7000	44.7000	44.4000
Greene County Joint Vocational School District					
Residential/Agricultural Real	2.7086	2.7086	2.7049	2.6172	2.6154
Commercial/Industrial and Public Utility Real	2.7322	2.7322	2.7349	2.6638	2.7062
General Business and Public Utility Personal	3.4500	3.4500	3.4500	3.4500	3.4500
General Health District					
Residential/Agricultural Real	0.2839	0.2839	0.2826	0.4373	0.4360
Commercial/Industrial and Public Utility Real	0.2928	0.2928	0.2932	0.4528	0.4601
General Business and Public Utility Personal	0.3000	0.3000	0.3000	0.5000	0.5000
Greene County					
Residential/Agricultural Real	8.9349	8.9349	8.9066	8.1034	7.9194
Commercial/Industrial and Public Utility Real	9.3230	9.3230	9.3304	8.6860	8.5882
General Business and Public Utility Personal	10.3300	10.3300	10.3300	10.3300	10.0700

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.

2004	2005	2006	2007	2008
\$22.6000	\$22.4000	\$22.4001	\$30.7001	\$30.1000
24.7422	23.8984	24.0142	32.4080	31.0102
44.4000	44.2000	44.2000	52.5000	51.9000
2.6133	2.5752	2.5720	2.5692	2.5269
2.7076	2.6528	2.6661	2.6501	2.6030
3.4500	3.4500	3.4500	3.4500	3.4500
0.4346	0.4079	0.4971	0.4948	0.4570
0.4604	0.4455	0.5000	0.4954	0.4598
0.5000	0.5000	0.5000	0.5000	0.5000
10.3606	10.8837	10.6950	10.6547	10.0302
10.6373	11.3795	11.1652	11.0849	10.4644
11.3000	12.3000	11.5500	11.5500	11.5500

City of Fairborn, Ohio
Principal Property Tax Payers
 2008 and 2005 (1)
 Schedule 7

Taxpayer	2008	
	Assessed Value	Percentage of Total Assessed Value
Dayton Power and Light Company	\$8,713,390	1.61%
Charter Woods, LLC	6,547,140	1.21%
Cemex Inc.	6,397,280	1.19%
Group Housing LLC	4,435,660	0.82%
MG-Mapleview LTD	4,221,630	0.78%
2377 Commerce Center Blvd.	3,617,500	0.67%
Woods Development LLC	3,582,360	0.66%
Highland Apartments	3,411,600	0.63%
Miami Valley Publishing Co. Inc.	3,290,870	0.61%
Campus Village Wright State LLC	3,265,050	0.61%
Total Principal Property Tax Payers	47,482,480	8.79%
Total All Others	492,693,717	91.21%
Total Assessed Value	\$540,176,197	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
1999	\$2,267,425	\$1,906,485	84.08%	\$0	\$1,906,485	84.08%
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%

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					
1999	\$4,591,758	\$703,423	\$5,295,181	\$341,574	\$0	\$5,636,755	1.00%
2000	4,870,163	787,715	5,657,878	393,521	0	6,051,399	1.00%
2001	5,020,174	783,466	5,803,640	277,432	0	6,081,072	1.00%
2002	5,194,056	762,233	5,956,289	367,593	0	6,323,882	1.00%
2003	5,253,485	813,148	6,066,633	423,774	0	6,490,407	1.00%
2004	5,294,278	787,786	6,082,064	456,293	0	6,538,357	1.00%
2005	7,764,991	1,005,942	8,770,933	469,672	0	9,240,605	1.50%
2006	8,339,271	1,355,634	9,694,905	796,801	0	10,491,706	1.50%
2007	8,850,224	1,278,895	10,129,119	747,105	0	10,876,224	1.50%
2008	8,597,465	1,438,186	10,035,651	799,493	0	10,835,144	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
1999	\$2,360,000	\$2,287,000	\$0	\$96,462	\$0	\$0
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

N/A - Information not available.

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

Business-type Activities									
General Obligation Bonds	Special Assessment Bonds	OWDA Loan	OPWC Loan	Landfill Closure and Postclosure Care Costs	General Obligation Notes	Capital Leases	Total Primary Government	Percentage of Personal Income	Per Capita
\$4,040,000	\$0	\$4,396,423	\$266,967	\$384,161	\$3,200,000	\$0	\$17,031,013	0.42%	\$512
3,695,000	0	4,141,982	250,282	363,942	3,200,000	0	16,642,662	0.39%	519
5,485,000	0	3,874,250	233,596	343,723	990,000	0	15,563,842	0.36%	486
5,030,000	0	3,662,632	216,911	323,504	3,690,000	0	17,692,880	0.39%	552
5,515,000	0	3,365,076	200,225	303,285	3,100,000	0	16,799,249	0.36%	524
8,050,000	0	3,058,962	183,540	283,066	1,630,000	75,783	18,078,022	0.38%	564
7,340,000	0	2,735,900	166,855	262,847	4,700,000	58,082	30,725,780	0.62%	959
6,590,000	0	2,394,852	150,170	242,628	3,900,000	39,576	30,454,074	0.58%	950
5,805,000	150,000	2,034,697	133,485	424,952	6,600,000	20,228	28,927,788	0.54%	902
4,850,000	140,000	1,654,244	116,800	386,320	10,880,000	5,239	30,961,750	N/A	966

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
1999	\$2,360,000	\$1,109,455,954	32,260	0.21%	\$73.16
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

Source: (1) Greene County Auditor
 (2) Population estimates provided by U.S. Census Bureau (1990 Census and 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, 2008
 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	\$2,625,000	100.00%	\$2,625,000
General Obligation Bonds	890,000	100.00%	890,000
Income Tax Revenue Bonds	6,650,000	100.00%	6,650,000
Special Assessment Bonds	1,960,000	100.00%	1,960,000
Capital Lease Obligations	804,147	100.00%	804,147
	<u>12,929,147</u>		<u>12,929,147</u>
Total Direct Debt	<u>12,929,147</u>		<u>12,929,147</u>
Overlapping Debt:			
Greene County	32,006,023	14.72%	4,711,287
Bath Township	0	83.87%	0
Beavercreek Township	285,000	3.71%	10,574
Greene County Vocational School District (2)	272,378	14.45%	39,359
Beavercreek City School District (2)	33,907,023	3.67%	1,244,388
Fairborn City School District (2)	19,314,414	77.88%	15,042,066
	<u>85,784,838</u>		<u>21,047,674</u>
Total Overlapping Debt	<u>85,784,838</u>		<u>21,047,674</u>
Grand Total	<u><u>\$98,713,985</u></u>		<u><u>\$33,976,821</u></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, 2008.

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

	1999	2000	2001	2002
Total Assessed Valuation	\$390,017,755	\$415,932,813	\$431,993,285	\$433,591,572
Overall debt limitation - 10.5% of assessed valuation	40,951,864	43,672,945	45,359,295	45,527,115
Debt Outstanding				
General Obligation Bonds	4,276,000	5,833,000	5,487,000	6,800,000
Income Tax Revenue Bonds	0	0	0	0
Special Assessment Bonds	2,287,000	2,086,000	1,937,273	1,779,833
Loans Payable	4,663,390	4,392,264	4,107,846	3,879,543
Bond Anticipation Notes	3,200,000	3,900,000	1,690,000	4,610,000
Total Gross Indebtedness	14,426,390	16,211,264	13,222,119	17,069,376
Less Exempt Debt				
General Obligation Bonds	1,916,000	3,695,000	3,487,000	5,030,000
Income Tax Revenue Bonds	0	0	0	0
Special Assessment Bonds	2,287,000	2,086,000	1,937,273	1,779,833
Loans Payable	4,663,390	4,392,264	4,107,846	3,879,543
Bond Anticipation Notes	3,200,000	3,900,000	1,690,000	4,610,000
Total Exempt Debt	12,066,390	14,073,264	11,222,119	15,299,376
Net Debt Subject to Limitation	2,360,000	2,138,000	2,000,000	1,770,000
Less amount available in the Debt Service Fund	600,376	679,335	859,706	629,634
Total Net Debt Subject to Limitation	1,759,624	1,458,665	1,140,294	1,140,366
Legal debt margin within 10.5% limitation	\$39,192,240	\$42,214,280	\$44,219,001	\$44,386,749
Legal Debt Margin as a Percentage of the Debt Limit	95.7%	96.7%	97.5%	97.5%
Unvoted debt limitation 5.5% of assessed valuation	\$21,450,977	\$22,876,305	\$23,759,631	\$23,847,536
Debt Outstanding	14,426,390	16,211,264	13,222,119	17,069,376
Less Exempt Debt				
General Obligation Bonds	1,916,000	3,695,000	3,487,000	5,030,000
Income Tax Revenue Bonds	0	0	0	0
Special Assessment Bonds	2,287,000	2,086,000	1,937,273	1,779,833
Loans Payable	4,663,390	4,392,264	4,107,846	3,879,543
Bond Anticipation Notes	3,200,000	3,900,000	1,690,000	4,610,000
Total Exempt Debt	12,066,390	14,073,264	11,222,119	15,299,376
Net Debt Subject to Limitation	2,360,000	2,138,000	2,000,000	1,770,000
Less amount available in the Debt Service Fund	600,376	679,335	859,706	629,634
Total Net Debt Subject to Limitation	1,759,624	1,458,665	1,140,294	1,140,366
Legal debt margin within 5.5% limitation	\$19,691,353	\$21,417,640	\$22,619,337	\$22,707,170
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limitation	91.8%	93.6%	95.2%	95.2%

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

2003	2004	2005	2006	2007	2008
\$496,203,959	\$501,452,608	\$508,919,665	\$543,459,493	\$539,014,389	\$540,176,197
52,101,416	52,652,524	53,436,565	57,063,247	56,596,511	56,718,501
7,803,000	10,340,000	9,325,000	8,265,000	6,735,000	5,740,000
0	0	9,350,000	8,470,000	7,570,000	6,650,000
1,557,663	1,386,511	1,164,811	1,386,111	2,162,412	2,100,000
3,565,301	3,242,502	2,902,756	2,545,022	2,168,182	1,771,044
3,570,000	1,815,000	6,810,000	8,650,000	9,070,000	13,505,000
16,495,964	16,784,013	29,552,567	29,316,133	27,705,594	29,766,044
5,515,000	8,050,000	7,340,000	6,590,000	5,655,000	4,850,000
0	0	9,350,000	8,470,000	7,570,000	6,650,000
1,557,663	1,386,511	1,164,811	1,386,111	2,162,412	2,100,000
3,565,301	3,242,502	2,902,756	2,545,022	2,168,182	1,771,044
3,570,000	1,815,000	6,810,000	8,650,000	9,070,000	13,505,000
14,207,964	14,494,013	27,567,567	27,641,133	26,625,594	28,876,044
2,288,000	2,290,000	1,985,000	1,675,000	1,080,000	890,000
549,673	572,652	642,319	623,570	369,454	346,215
1,738,327	1,717,348	1,342,681	1,051,430	710,546	543,785
\$50,363,089	\$50,935,176	\$52,093,884	\$56,011,817	\$55,885,965	\$56,174,716
96.7%	96.7%	97.5%	98.2%	98.7%	99.0%
\$27,291,218	\$27,579,893	\$27,990,582	\$29,890,272	\$29,645,791	\$29,709,691
16,495,964	16,784,013	29,552,567	29,316,133	27,705,594	29,766,044
5,515,000	8,050,000	7,340,000	6,590,000	5,655,000	4,850,000
0	0	9,350,000	8,470,000	7,570,000	6,650,000
1,557,663	1,386,511	1,164,811	1,386,111	2,162,412	2,100,000
3,565,301	3,242,502	2,902,756	2,545,022	2,168,182	1,771,044
3,570,000	1,815,000	6,810,000	8,650,000	9,070,000	13,505,000
14,207,964	14,494,013	27,567,567	27,641,133	26,625,594	28,876,044
2,288,000	2,290,000	1,985,000	1,675,000	1,080,000	890,000
549,673	572,652	642,319	623,570	369,454	346,215
1,738,327	1,717,348	1,342,681	1,051,430	710,546	543,785
\$25,552,891	\$25,862,545	\$26,647,901	\$28,838,842	\$28,935,245	\$29,165,906
93.6%	93.8%	95.2%	96.5%	97.6%	98.2%

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	
1999	\$414,418	\$196,000	\$168,799	1.14
2000	354,667	201,000	153,659	1.00
2001	516,937	196,000	137,983	1.55
2002	359,756	196,000	122,900	1.13
2003	332,774	193,000	117,315	1.07
2004	393,506	213,000	116,067	1.20
2005	347,871	213,000	99,770	1.11
2006	301,223	140,000	83,472	1.35
2007	399,839	230,000	99,859	1.21
2008	449,334	332,412	99,524	1.04

Source: County Auditor

(1) City's tax settlement sheets.

City of Fairborn, Ohio
Pledged Revenue Coverage
Special Assessment Bonds - Sewer Fund
December 31, 2008
Schedule 15

Calendar Year	Special Assessment Collections (2)	Debt Service		Coverage
		Principal	Interest	
2008 (1)	\$16,100	\$10,000	\$6,100	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
1999	\$2,289,349	\$1,488,083	\$801,266	\$16,685	48.02
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

(1) Direct operating expenses do no 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 Requirements	Coverage
1999	\$3,660,253	\$2,851,442	\$808,811	\$295,995	2.73
2000	3,590,405	2,228,634	1,361,771	254,441	5.35
2001	3,687,109	1,869,734	1,817,375	267,732	6.79
2002	3,970,838	2,414,112	1,556,726	211,618	7.36
2003	3,985,235	2,093,522	1,891,713	288,873	6.55
2004	4,389,254	1,836,790	2,552,464	306,114	8.34
2005	4,540,138	3,067,957	1,472,181	323,062	4.56
2006	4,867,233	3,142,634	1,724,599	341,049	5.06
2007	4,945,690	3,189,204	1,756,486	360,155	4.88
2008	5,480,155	3,432,202	2,047,953	380,453	5.38

(1) Direct operating expenses do no 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)
1999	33,260	\$4,074,296	\$27,626	4.3%
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	N/A	N/A	7.5%

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

N/A - Information not available

City of Fairborn, Ohio
Principal Employers
 2008 and 2005 (1)
 Schedule 19

2008	
Employer	Number of Employees
Wright Patterson AFB	24,817
Wright State University	2,492
Fairborn City Schools	650
Logtec (2)	248
Ball Aerospace	275
Wright-Patt Credit Union (2)	400
Northrop Grumman	250
City of Fairborn	250
Transcontinental Printing (2)	194
Total Employees	29,576

2005	
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
Computer Sciences Corp.	250
Northrop Grumman	240
City of Fairborn	230
Total Employees	26,690

Source: Community Development Division

- (1) Information prior to 2005 is unavailable
- (2) Denotes corporate headquarters

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	1999	2000	2001	2002	2003	2004	2005
General Government							
City Council	0.5	0.5	0.5	0.5	0.5	0.5	4.0
Municipal Court	23.5	26.0	28.8	26.8	26.8	25.1	24.0
City Administration	4.9	4.8	4.9	4.8	4.8	4.8	3.5
Finance	18.5	16.3	16.5	14.5	14.5	14.5	15.0
Legal	1.5	1.5	1.7	2.0	1.8	1.8	2.0
Personnel	2.0	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	4.0
Public Works Director	1.0	1.0	1.0	1.0	1.0	0.0	0.0
Audio Visual	1.0	1.0	1.0	1.0	1.0	1.0	0.0
Plant Maintenance	12.0	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	2.0
Public Safety (1)							
Police							
Sworn Officers	64.9	64.9	65.1	64.6	66.2	60.7	51.0
Non-Sworn	0.0	0.0	0.0	0.0	0.0	0.0	16.0
Fire	48.0	48.7	51.0	54.0	53.0	51.0	50.5
Community Environment							
Building Inspection	4.7	4.7	5.0	5.7	5.0	5.0	5.0
City Planner	3.0	3.0	3.1	3.0	3.1	3.0	3.0
Neighborhood Betterment	2.9	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	1.5
Transportation and Street Repair							
Street	11.3	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	1.0
Public Health and Welfare							
Cemetery	2.0	2.0	2.0	2.0	2.0	2.0	1.5
Basic Utility Service							
Water	15.3	16.3	16.3	16.3	16.3	17.3	17.5
Sewer	22.3	22.3	22.3	22.5	22.5	22.5	21.5
Sanitation	2.0	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	0.0	2.0
Equipment Services	9.0	9.5	9.7	9.7	8.7	8.0	7.0
Total	<u>258.7</u>	<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.

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

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

Function/Program	1999	2000	2001	2002	2003
General government					
Municipal Court					
Criminal and Traffic Cases	20,726	20,951	18,026	19,247	16,163
Criminal and Traffic Trials	126	89	149	108	130
Criminal and Traffic Receipts (in 000's)	\$2,532	\$2,602	\$2,357	\$2,818	\$2,571
Civil/Small Claims Cases	1,574	1,613	1,464	1,543	2,156
Civil/Saml Claims Trials	894	817	752	721	1,013
Civil/Small Claims Receipts (in 000's)	\$283	\$327	\$388	\$454	\$541
Security of Persons and Property					
Police					
Calls for Service(2)	23,296	23,835	23,449	24,012	23,124
Parking violations	1,612	1,271	1,675	1,299	1,132
Traffic violations	5,499	4,912	4,030	4,227	4,085
Criminal Citations	2,778	2,831	2,954	2,616	2,798
Training Hours	7,208	5,136	5,497	5,149	4,507
Fire					
Emergency responses	6,642	6,303	5,010	5,204	5,478
Inspections	1,142	1,341	1,590	1,590	1,503
Training hours	(1)	(1)	(1)	(1)	5,425
Community Environment					
Planning and Development					
Residential construction permits issued	112	1,164 (3)	1,145	1,500	1,442
Estimated value of residential construction	\$19,325,451	\$11,662,324 (3)	\$12,677,065	\$18,200,034	\$18,296,213
Commercial construction permits issued	14	530 (3)	536	398	393
Estimated value of commercial construction	\$8,491,620	\$30,002,623 (3)	\$16,754,423	\$6,978,147	\$15,197,647
Parks and recreation					
Softball Registrations	(1)	(1)	(1)	68	70
Weekend Softball Tournaments	(1)	(1)	(1)	50	54
Water					
New connections	130	103	92	158	145
Water main breaks	34	39	24	22	38
Average daily consumption (millions of gallons)	3.604	3.923	3.600	3.600	4.300
Peak daily consumption (millions of gallons)	(1)	(1)	(1)	(1)	(1)
Total Water Treated (millions of gallons)	1,358	1,209	1,249	1,481	1,559
Average Daily Treatment (millions of gallons)	3.6	3.3	4.0	4.0	4.2
Hydrants flushed	1,297	1,337	1,361	1,386	1,411
Sewer					
Total Water Treated (millions of gallons)	1,549	1,384	1,481	1,493	1,537
Average Daily Treatment (millions of gallons)	4.3	3.8	4.1	4.1	4.2

Source: Various City Departments

- (1) N/A - Information not available
- (2) In 2005, the police department changed the method of counting total calls for service to the same method of other area departments.
- (3) 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
13,666	16,072	19,043	19,634	18,369
97	79	96	106	83
\$2,439	\$2,624	\$2,983	\$3,034	\$3,245
1,810	1,983	2,072	2,146	2,410
851	835	897	587	1,190
\$610	\$578	\$581	\$729	\$900
23,413	32,778	37,252	34,981	37,250
995	1,141	932	852	689
2,509	2,515	5,400	6,218	5,986
3,018	2,817	3,478	3,506	3,740
4,091	3,441	4,691	4,008	2,739
5,495	5,736	5,872	6,000	6,214
1,121	1,141	1,157	1,177	1,200
7,730	12,518	6,980	5,924	5,400
1,383	1,195	1,040	1,044	806
\$17,011,265	\$14,832,301	\$11,939,843	\$17,515,016	\$10,092,588
352	474	361	359	380
\$15,651,854	\$17,083,481	\$23,925,526	\$17,655,180	\$25,416,559
90	95	72	86	100
50	57	46	40	57
145	102	91	83	68
37	37	22	42	42
3,760	3,792	3,594	3,414	33,000
(1)	(1)	4,730	4,690	4,730
1,375	1,384	1,320	1,260	1,202
3.8	3.8	3.6	3.4	3.3
1,448	1,457	1,460	1,423	1,423
1,448	1,555	1,581	1,636	1,669
4.0	4.3	4.3	4.5	4.6

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

Function/Program	1999	2000	2001	2002
Police				
Stations	1	1	1	1
Patrol units	27	27	31	31
Fire Stations	3	3	3	3
Public Works				
Area of City (square miles)	13.27	13.40	13.40	13.40
Streets (lane miles)	122.02	123.01	124.46	124.46
Streetlights	1,900	1,900	1,900	1,900
Parks and Recreation				
Number of Parks	15	15	15	16
Acreage	363.78	363.78	363.78	431.88
Playgrounds	16	16	16	16
Baseball/softball diamonds	(1)	17	17	17
Soccer/football fields	(1)	12	12	12
Number of Tennis Courts	14	14	14	14
Municipal Water Department				
Daily Treatment Capacity (millions of gallons)	(1)	(1)	4.60	4.60
Water Mains (miles)	138.09	140.02	142.00	142.00
Fire hydrants	1,297	1,337	1,361	1,386
Sewers				
Daily Treatment Capacity (millions of gallons)	5.50	5.50	5.50	5.50
Storm Sewers (miles)	99.15	100.51	102.29	102.29
Sanitary Sewers (miles)	125.28	127.46	129.13	129.13

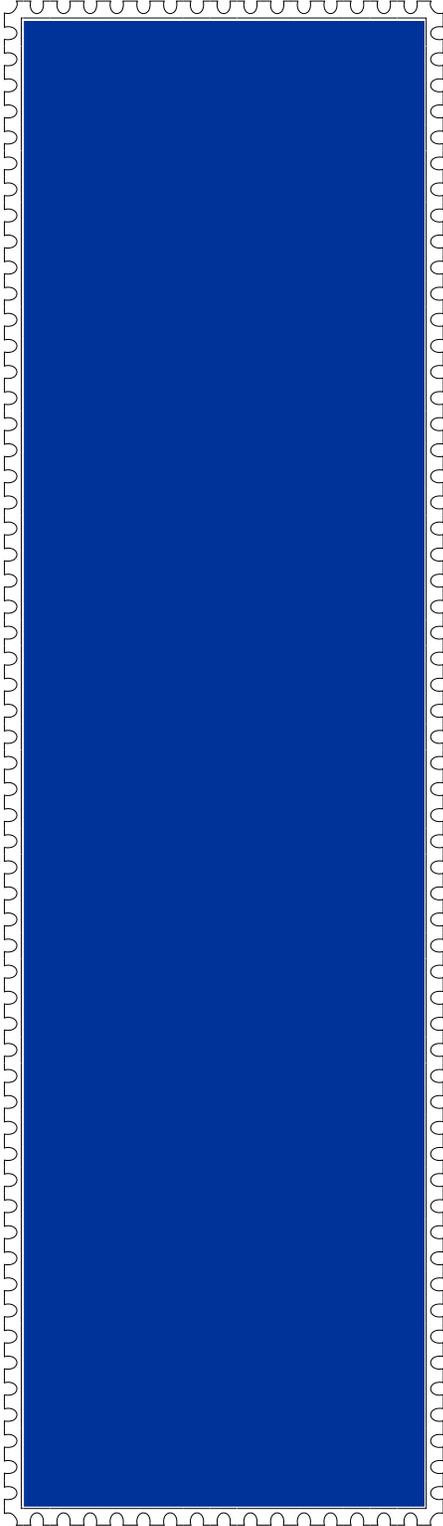
Source: Various City Departments

(1) N/A - Information not available

(2) Information was corrected from prior years.

2003	2004	2005	2006	2007	2008
1	1	1	1	1	1
31	33	31	31	30	30
3	3	3	3	4	4
13.40	13.41	13.41	13.41	13.41	13.41
127.21	288.81	288.81	293.10	294.20	294.94
1,900	1,995	1,995	2,342	2,495	2,512
17	18	19	19	19	19
622.09	622.31	651.51	686.61	686.57	686.57
16	18	18	18	17	17
17	17	15	15	15	15
12	12	12	12	12	12
14	14	14	14	14	14
4.60	5.00	5.00	5.00	5.40	5.40
144.34	145.95	147.69	148.56	149.37	149.78
1,411	1,448	1,457	1,460	1,457	1,470
6.00 (2)	6.00 (2)	6.00 (2)	6.00	6.00	6.00
105.58	109.09	109.71	110.66	111.57	112.32
131.76	133.84	135.24	135.78	136.50	136.20





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
SEPTEMBER 8, 2009