



Dave Yost • Auditor of State

CITY OF FAIRBORN
GREENE COUNTY

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**CITY OF FAIRBORN
GREENE COUNTY**

**FEDERAL AWARDS EXPENDITURES SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2010**

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program Title	Pass Through Entity Number	Federal CFDA Number	Disbursements
U. S. DEPARTMENT OF AGRICULTURE			
<i>Passed through Ohio Water Development Authority</i>			
ARRA - Water and Waste Disposal Systems for Rural Communities	CS39-0343-0004	10.781	\$51,742
<i>Direct Award:</i>			
Wetlands Reserve Program	66-5A34-07-46	10.072	2,000
Total U.S. Department of Agriculture			<u>53,742</u>
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
<i>Direct Award:</i>			
Community Development Block Grants/Entitlement Grants	B-10-MC-39-0032	14.218	323,090
<i>Passed through City of Dayton</i>			
Neighborhood Stabilization Program	N/A	14.256	1,050
<i>Passed through Greene County</i>			
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	B-Z-08-1BA-1	14.228	260,948
Total U.S. Department of Housing and Urban Development			<u>585,088</u>
U.S. DEPARTMENT OF JUSTICE			
<i>Passed Through Office of the Ohio Attorney General</i>			
Crime Victim Assistance	2010-VAGENE482	16.575	18,020
	2011-VAGENE482		4,005
Total Crime Victim Assistance			<u>22,025</u>
<i>Passed Through Ohio Department of Public Safety</i>			
Bulletproof Vest Partnership Program	N/A	16.607	8,952
Edward Byrne Memorial Justice Assistance Grant Program	2010-JG-D01-6876	16.738	20,652
ARRA - Edward Byrne Memorial Justice Assistance Grant (JAG) Program/ Grants to State and Territories	2009-RA-D01-2158	16.803	22,482
ARRA - Edward Byrne Memorial Justice Assistance Grant (JAG) Program Grants to Units of Local Government	2009-SB-B9-1993	16.804	145,106
Total U.S. Department of Justice			<u>219,217</u>
U.S. DEPARTMENT OF TRANSPORTATION			
<i>Passed Through Ohio Department of Transportation</i>			
Highway Planning and Construction	N/A	20.205	93,411
ARRA - Highway Planning and Construction	ARRAE090-000485	20.205	239,172
	ARRAE090-000504		209,858
Total Highway Planning and Construction			<u>542,441</u>
Total U.S. Department of Transportation			<u>542,441</u>
U.S. DEPARTMENT OF HOMELAND SECURITY			
<i>Passed Through Miami Valley Fire/EMS Alliance</i>			
National Urban Search and Rescue (US&R) Response System	N/A	97.025	8,301
	FEMA-1805-DR-OH		
Total U.S. Department of Homeland Security			<u>8,301</u>
Total Federal Expenditures			<u>\$1,408,789</u>

The accompanying notes are an integral part of this schedule.

**CITY OF FAIRBORN
GREENE COUNTY**

**NOTES TO THE FEDERAL AWARDS EXPENDITURES SCHEDULE
FISCAL YEAR ENDED DECEMBER 31, 2010**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

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

NOTE B - MATCHING REQUIREMENTS

Certain Federal programs require the City to contribute non-Federal funds (matching funds) to support the Federally-funded programs. The City has met its matching requirements. The Schedule does not include the expenditure of non-Federal matching funds.



Dave Yost • Auditor of State

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

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

To the Mayor and City Council:

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Fairborn, Greene County, (the City) as of and for the year ended December 31, 2010, which collectively comprise the City's basic financial statements and have issued our report thereon dated July 25, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of reasonably assuring whether the City's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

We did note certain matters not requiring inclusion in this report that we reported to the City's management in a separate letter dated July 25, 2011.

City of Fairborn
Greene County
Independent Accountants' Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters
Required by *Government Auditing Standards*
Page 2

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

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping initial "D".

Dave Yost
Auditor of State

July 25, 2011



Dave Yost • Auditor of State

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

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

To the Mayor and 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 could directly and materially affect each of the City's major federal programs for the year ended December 31, 2010. The summary of auditor's results section of the accompanying schedule of findings 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 included in the Comptroller General of the United States' *Government Auditing Standards*; 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 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 could directly and materially affect each of its major federal programs for the year ended December 31, 2010.

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, to determine our auditing procedures for the purpose of opining on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of opining on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the City's internal control over compliance.

Internal Control Over Compliance (Continued)

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program compliance requirement. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program compliance requirement will not be prevented, or timely detected and corrected.

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 over compliance that might be deficiencies, 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.

We noted certain matters involving federal compliance or internal control over federal compliance not requiring inclusion in this report, that we reported to the City's management in a separate letter dated July 25, 2011.

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 (the City) as of and for the year ended December 31, 2010, and have issued our report thereon dated July 25, 2011. Our audit was performed to form opinions on the financial statements that collectively comprise the City's basic financial statements taken as a whole. The accompanying Federal Awards Expenditures Schedule provides additional information required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and is not a required part of the basic financial statements. The Schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. This Schedule was subject to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. 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, Mayor, City Council, others within the entity, federal awarding agencies, and pass-through entities. It is not intended for anyone other than these specified parties.



Dave Yost
Auditor of State

July 25, 2011

**CITY OF FAIRBORN
GREENE COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
DECEMBER 31, 2010**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material internal control weaknesses reported for major federal programs?	No
(d)(1)(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings under § .510(a)?	No
(d)(1)(vii)	Major Programs (list):	Highway Planning and Construction - CFDA 20.205 Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii - CFDA 14.228
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$ 300,000 Type B: all others
(d)(1)(ix)	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 AWARDS

None.

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**CITY OF
FAIRBORN, OHIO**



**Comprehensive Annual
Financial Report**

**For the year ended
December 31, 2010**

CITY OF FAIRBORN, OHIO

GREENE COUNTY

Comprehensive Annual Financial Report

For the Year Ended December 31, 2010

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, 2010
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Comprehensive Annual Financial Report
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Comprehensive Annual Financial Report
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I N T R O D U C T O R Y S E C T I O N





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

July 25, 2011

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

Submitted for your review is the Comprehensive Annual Financial Report (CAFR) of the City of Fairborn ("the City") for the year ended December 31, 2010. 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).

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

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based on a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Introduction

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

The Reporting Entity

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

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

The City of Fairborn

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

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

The City operates under a Council-Manager form of government. City Council consists of seven members, six of which are 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.

Council is required to adopt an initial budget by no later than April 1. Council may adopt a temporary budget to cover the first three months of the year. Upon presentation by the City Manager of a proposed budget document to Council, Council calls and publicizes a public hearing. Council will subsequently adopt such budget as it may have been amended, as the City's annual budget effective April 1, for the remainder of the year.

Economic Condition and Outlook

With economic diversity, key governmental institutions, and prime land for additional development, Fairborn has what it takes to fuel business growth. Collaboration with numerous organizations and businesses have helped Fairborn to maintain its current business base and expand new and exciting ventures in commercial, industrial, government and office development.

As home to Wright State University and the gateway to Wright-Patterson Air Force Base (WPAFB), Fairborn gains economic strength from two of the largest employers in the Miami Valley region. The close proximity to WPAFB draws businesses serving the Air Force and other branches of the military to locate in Fairborn. WPAFB personnel work with military contractors to develop new procedures, technology, and products that increase the ability of the military to protect our Nation. While military and government-related businesses are a vital part of Fairborn's economy, there are many others that provide economic support and add to the diversity of the City's business community, including major manufacturing facilities, distribution centers serving regional markets, and research and development firms.

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

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

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

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

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

The city's progress in economic growth would not be possible without the assistance of the Fairborn Chamber of Commerce and the Downtown Fairborn Betterment Association. These groups of residents and business professionals help to increase prosperity and the quality of life in Fairborn by facilitating the growth of businesses by organizing networking opportunities and events during the year. The City will continue to pursue successful collaborations among businesses, community organizations, and governments to spur economic growth in Fairborn.

Major Initiatives

For 2010

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 10 year, one-quarter of one percent income tax levy was approved by the residents in 2004 for resurfacing, reconstructing and repairing 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 10 year initiative. The levy generates approximately \$1.9 million per year to finance the infrastructure improvements. Through 2010, the sixth year of this street improvement program, the City has resurfaced or repaired 48.87 miles of roadways affecting 159 local streets and 20 thoroughfares.

During the same election in 2004, residents also approved a one-quarter of one percent income tax levy for fire facilities and equipment. The 10 year tax levy also generates approximately \$1.9 million dollars annually and has been used to finance land acquisition and the construction and renovation of fire facilities, as well as the purchase of fire and EMS equipment for four stations.

As with most cities of similar age, the water and wastewater infrastructure periodically is in need of repair and/or replacement. The Division of Water and Sewer undertook several projects in 2010 to rehabilitate aging infrastructure including the redevelopment of a well in the Mad River well field, replacement of control valves at a water booster station with low maintenance - low pressure loss units, and relining over 3,500 feet of eight-inch sewer main. A new combination sewer jet/vacuum truck was purchased which will improve the division's sewer line cleaning capabilities helping to ensure the longevity of the city's existing sewer mains. An operations and maintenance manual was completed for the sewer collection system. This document captures current institutional knowledge providing guidance for both present and future system operators.

In 2010, the Parks and Recreation and Plant Maintenance Divisions continued to replace tennis and basketball courts that were in disrepair. Two tennis courts, two basketball courts and a hitting wall area were completely resurfaced with asphalt at Rona Hills Park. Two tennis courts, two basketball courts and a large hitting wall area were also resurfaced at Maplewood Park. All of the replaced surfaces were sealed, color coated and striped. Furthermore, all tennis courts that were resurfaced also had the fencing replaced around the courts.

Playground equipment was purchased for a new park development in the Faircreek Ridge neighborhood. In preparation for the new park, a berm of debris on the eastern edge of the neighborhood was removed in order to allow residents to have safe ingress and egress from the park land.

Preparations were also completed for a future entrance into Fairfield Park, where the majority of the city's softball and baseball games are held. Construction documents and cost estimates were completed for the new entrance project. In future years, the City will seek out funding sources for the implementation of this project. The total estimated cost for construction is \$461,540.

Community Park saw a dramatic transformation in 2010. Completed entirely from donated funds, the City installed a state of the art championship disc golf course through the old growth forests and prairie lands at Community Park. The 18-hole course features pro-level and amateur-level tee pads and multiple pin placements for all skill levels. Reviews of this course have consistently rated it in the top two in the area. A regional tournament will be held at the course in 2011. Renovations to the pedestrian bridge at Community Park were also completed. This bridge spans the Beaver Creek and connects the Meadowlands subdivision to the park. One hundred fifty hardwood trees were also planted in Community Park using grant funds.

Capital improvements to the City's buildings and lands in 2010 were minor due to budgetary constraints and efforts to reduce spending. Interior and exterior signage at the Government Center and Police Department was updated making it easier for the public to find City offices.

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, wastewater treatment, 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. A perpetual five-year capital improvement plan is maintained and updated annually to assist the City in targeting the most important near-term capital improvements and the resources required to fund them.

The Engineering Department continues to oversee the paving program for the 450 public streets in Fairborn and it is estimated an average of 30 streets per year will be paved in the future. Design work for the Dayton-Yellow Springs Phase II project and the Spangler Road widening project will be completed in 2011. Both projects require additional funding sources before construction can commence.

The Maple Avenue Overpass, approximately 460 feet long, requires extensive concrete repairs to the parapet walls, curb and sidewalk. Winter weather and repetitive salting have taken their toll on the bridge, not having had any work of this nature performed for 36 years. This project is scheduled for 2011 and once completed these components will receive a penetrating sealant to protect against further salt attack.

After 9/11, Wright-Patterson Air Force Base has been concerned with securing its gates. Part of this project entails the relocation of State Route 444, which currently passes through base property. The relocation will put most of the traffic on City of Fairborn streets in the near future. Once the WPAFB environmental assessment is completed, an engineering plan and cost estimate will be developed to best route this traffic through Fairborn.

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

Many important projects that will improve the City's ability to meet current and future demand are slated for the near future. For water treatment and distribution this includes construction of water treatment plant improvements to increase capacity by over one million gallons a day, installation of a booster station to improve pressure for fire fighting and domestic purposes in the Rona Village area, and design of a secondary raw water line to provide both redundancy and additional conveyance capacity from the City's primary well field.

On the sewer collection side, a replacement lift station will be constructed to replace the aging Kauffman Lift Station. The new design incorporates additional capacity, energy saving features, and enhanced safety equipment. The Southeast Lift Station will be evaluated to determine needed improvements to meet anticipated growth and a design incorporating the findings will be undertaken. Additionally, over 3,000 feet of sewer main will be rehabilitated using a no dig method, bringing it back to like new condition.

The City will select a firm in 2011 to evaluate the Northwest Pump Station, which pumps sewage from south Fairborn to the Water Reclamation Center (WRC), and develop a design that addresses a number of issues including the lack of pumping capacity for coping with major rain events. The Northwest Pump Station is approaching a point where development in south Fairborn must be delayed if pumping capacity is not increased in the near future. The project also includes linking the pump station to the WRC's existing Supervisory Control and Data Acquisition (SCADA) system, increasing the capacity of the force main that delivers the pump station's output to the WRC, replacing the aging, unreliable, labor-intensive backup screen that removes debris from the incoming wastewater, and looping the existing non-potable water system to ensure adequate water pressure to all treatment processes. Key considerations are the structural integrity of the pump station and whether or not it will be cost effective to increase the

pumping capacity of the existing facility or if life cycle cost considerations dictate demolishing the existing facility and constructing a new one. Once the Northwest Pump Station Project is complete, the next major WRC project is currently scheduled for 2015 and involves the design phase for a third clarifier tank, assuming sufficient population growth warrants it.

Economic development efforts work to attract new businesses while encouraging existing businesses to reinvest. 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. City staff visits existing businesses to determine their needs and possible links to business resources in the region.

Additionally, the City encourages 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. Examples of recent revitalization projects initiated by the Community Development Department include the continuation of the Broad Street corridor planning effort with the focus on the area adjacent to I-675 from I-70 south to State Route 235; the downtown facade program; and the grant funded streetscape project to improve Main Street.

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

As a result of the Base Realignment and Closure (BRAC) initiative of the U.S. Department of Defense over 1,200 new military and civilian positions have been and will be added to WPAFB and the Miami Valley area which will have a positive impact on Fairborn's economy and business environment.

To encourage new military and civilian personnel to choose Fairborn as a place to live, the City works to encourage new housing developments and preservation of existing housing stock. The use of Neighborhood Stabilization Program funds to assist in addressing housing issues in targeted neighborhoods continues to provide new housing opportunities. Efforts continue to focus on code enforcement to preserve and enhance the city's existing housing stock.

In summary, with Calamityville coming to fruition and the BRAC initiatives being finalized, the City is working to seize business opportunities and encourage additional residential housing development. The City of Fairborn's future is bright as we continue to focus on community revitalization and economic development.

Financial Information

Basis of Accounting

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

Internal Control Structure

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

Budgetary Control

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

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

Management's Discussion and Analysis (MD&A)

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

Independent Audit

Ohio law and the Fairborn City Charter require an annual audit of the City's financial statements by an independent auditor. The Ohio Auditor of State performed the audit for the year ended December 31, 2010, 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, 2009. This was the twenty-first 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, 2010 continues to conform to program requirements and we will be submitting it to the GFOA to determine its eligibility for another Certificate of Achievement.

Other Information

Employee Union Contracts

Approximately 60 percent of City employees are members of five different bargaining groups including the American Federation of State, County and Municipal Employees (AFSCME); Fraternal Order of Police (FOP), which includes separate contracts for Police Officers, Dispatchers and Sergeants; and the International Association of Firefighters (IAFF). Contracts for the FOP were renegotiated in 2011 and are effective from June 21, 2011 through February 29, 2012. The City is currently in negotiations with AFSCME for a new contract to replace the one that expired March 28, 2011. The IAFF contract was renegotiated in 2009 for the period January 1, 2010 through December 31, 2012.

Acknowledgements

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

Council for their interest and support in planning and conducting the financial operations of the City of Fairborn in a responsible and progressive manner.

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

Respectfully submitted,



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, 2009

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



President

Executive Director

City of Fairborn, Ohio

Principal Officials

December 31, 2010

COUNCIL - MANAGER FORM OF GOVERNMENT

CITY COUNCIL

Joan Dautel, Mayor

Stuart M. Snow, Deputy Mayor

Frank Cervone, Council Member

James R. Hapner, Council Member

Dan Kirkpatrick, Council Member

Tom Nagel, Council Member

Robert Wood, Council Member

CITY MANAGER

Deborah A. McDonnell

CITY SOLICITOR

Michael Mayer

FINANCE DIRECTOR

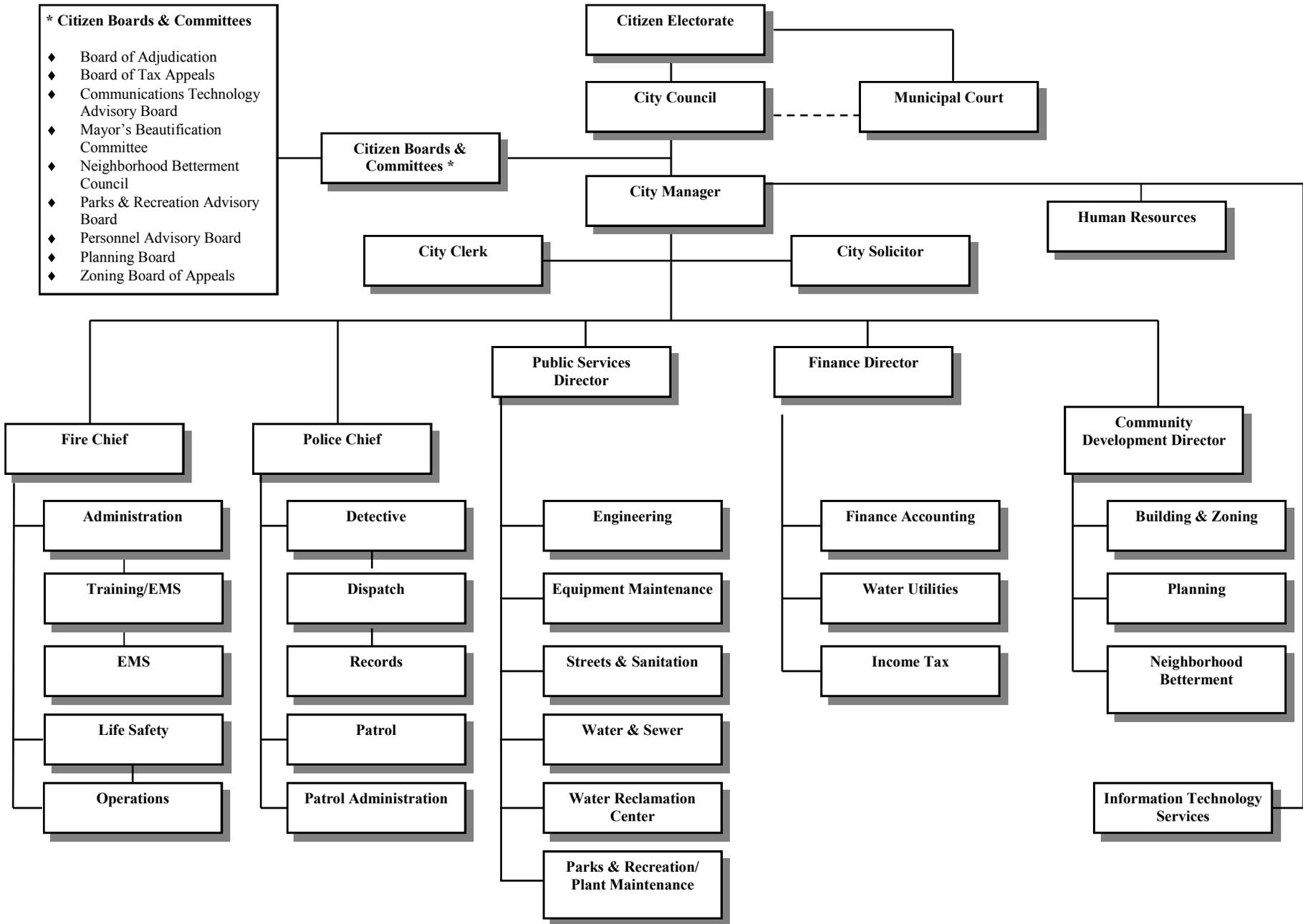
Randall J. Groves

FISCAL OFFICER

Annetta L. Williams

City of Fairborn Organizational Chart

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





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





Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

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

To the Mayor and 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, 2010, 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, 2010, and the respective changes in financial position and where applicable, cash flows, thereof and the respective budgetary comparisons for the General Fund, Fire and EMS Fund, Police Fund and County Motor Vehicle Tax Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 25, 2011, 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.

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis*, as listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any other assurance.

We conducted our audit to opine on the financial statements that collectively comprise the City's basic financial statements taken as a whole. The introductory section, the financial section's combining statements, individual fund statements and schedules, and the statistical section information provide additional analysis and are not a required part of the basic financial statements. The financial section's combining statements, individual fund statements and schedules are management's responsibility, and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. These statements and schedules were subject to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. 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 section information to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or any other assurance on them.



Dave Yost
Auditor of State

July 25, 2011

City of Fairborn, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2010
(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, 2010, 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

- Governmental activities net assets make up 79 percent of the City's total net assets. Net assets of governmental activities increased \$.7 million while net assets of business-type activities increased \$1.1 million, resulting in a two percent increase in the City's total net assets.
- Unrestricted governmental activities net assets decreased four percent to \$5.6 million.
- Unrestricted business-type activities net assets increased 16 percent to \$7.5 million.
- The General Fund balance decreased \$265,159 (seven percent) to \$3.5 million.
- Business-type activities operations reflected an operating income of \$1.5 million and net assets increased \$1.1 million to \$20.4 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

City of Fairborn, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2010
(Unaudited)

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. 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 maintenance and repair, and general government administration. Municipal income taxes, property taxes, intergovernmental revenues, court fines and costs, and charges for services 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 to users provide sufficient funding to cover operating costs, capital outlay, and associated debt service, while maintaining an appropriate reserve balance.

REPORTING THE CITY'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

Information about the City's major funds is presented in the fund financial statements that begin on page 18. Fund financial statements provide detailed information about the City's major funds - not the City as a whole. Some funds are required by State law and some by bond covenants. Other funds may be established by the City, with approval of Council, to help control, manage and report money received for a particular purpose or to show that the City is meeting legal responsibilities for the use of grants. The City's major funds are the General, Fire and EMS, Police, County Motor Vehicle Tax, 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 future spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can be readily converted to cash. The governmental fund statements provide a detailed short-term view of the City's general

City of Fairborn, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2010
(Unaudited)

government operations and the basic services it provides. Governmental fund information helps to determine whether there are more or less financial resources that can be spent in the near future on services provided to City residents. The relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is reconciled in the financial statements.

Proprietary Funds

Services for which the City charges its citizens fees to generate sufficient funding to cover operating costs, capital outlay, and associated debt service are generally reported in proprietary funds. Proprietary funds use the same basis of accounting as business-type activities; therefore, these statements will essentially match.

Fiduciary Funds

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

THE CITY AS A WHOLE

As stated previously, the Statement of Net Assets looks at the City as a whole. Table 1 provides a summary of the City's net assets for 2010 compared to 2009.

City of Fairborn, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2010
(Unaudited)

Table 1
Net Assets

	Governmental Activities		Business-type Activities		Total		Change
	2010	2009	2010	2009	2010	2009	
Assets:							
Current and Other Assets	\$24,664,502	\$25,418,531	\$10,922,064	\$9,129,804	\$35,586,566	\$34,548,335	\$1,038,231
Capital Assets	68,137,292	68,929,357	26,755,263	27,751,451	94,892,555	96,680,808	(1,788,253)
<i>Total Assets</i>	<u>92,801,794</u>	<u>94,347,888</u>	<u>37,677,327</u>	<u>36,881,255</u>	<u>130,479,121</u>	<u>131,229,143</u>	<u>(750,022)</u>
Liabilities:							
Current and Other Liabilities	8,063,233	8,872,802	850,975	845,049	8,914,208	9,717,851	(803,643)
Long-Term Liabilities	9,129,212	10,568,174	16,451,408	16,719,027	25,580,620	27,287,201	(1,706,581)
<i>Total Liabilities</i>	<u>17,192,445</u>	<u>19,440,976</u>	<u>17,302,383</u>	<u>17,564,076</u>	<u>34,494,828</u>	<u>37,005,052</u>	<u>(2,510,224)</u>
Net Assets:							
Invested in Capital Assets,							
Net of Related Debt	58,223,118	57,492,409	12,913,413	12,903,901	71,136,531	70,396,310	740,221
Restricted	11,755,895	11,579,836	0	0	11,755,895	11,579,836	176,059
Unrestricted	5,630,336	5,834,667	7,461,531	6,413,278	13,091,867	12,247,945	843,922
<i>Total Net Assets</i>	<u>\$75,609,349</u>	<u>\$74,906,912</u>	<u>\$20,374,944</u>	<u>\$19,317,179</u>	<u>\$95,984,293</u>	<u>\$94,224,091</u>	<u>\$1,760,202</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 \$1.8 million in 2010, a two percent improvement over the prior year. Governmental activities net assets make up 79 percent of the City's total net assets while business-type activity net assets account for 21 percent.

Net assets of the City's governmental activities increased slightly as a \$2.2 million decrease in total liabilities exceeded the \$1.5 million decrease in total assets. The short-term note issued for the Calamityville property environmental remediation project (Calamityville note) was paid off and two tax increment financing notes were paid down reducing both current assets and current liabilities. Additionally, long-term liabilities were 14 percent less than the prior year as reductions from scheduled debt service were greater than long-term special assessment issuances in 2010.

Net assets of the City's business-type activities increased \$1.1 million mainly as a result of operating income generated from each of the water, sewer, and sanitation enterprises. Unrestricted net assets for business-type activities increased 16 percent to \$7.5 million due to the operating income and to the completion of projects funded by debt proceeds.

City of Fairborn, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2010
(Unaudited)

Table 2 shows the changes in net assets for the year ended December 31, 2010 compared to 2009.

Table 2
Changes in Net Assets

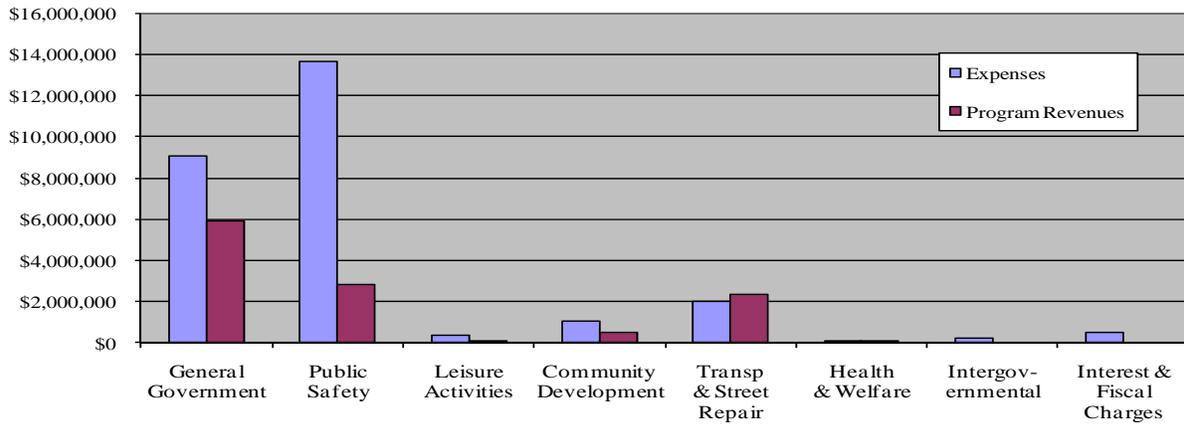
	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
Revenues:						
Program Revenues:						
Charges for Services	\$6,839,275	\$6,368,010	\$12,018,414	\$11,590,019	\$18,857,689	\$17,958,029
Operating Grants, Contributions and Interest	2,601,148	3,312,494	51,742	4,457	2,652,890	3,316,951
Capital Grants, Contributions and Interest	1,154,072	2,049,859	67,240	81,790	1,221,312	2,131,649
<i>Total Program Revenues</i>	<u>10,594,495</u>	<u>11,730,363</u>	<u>12,137,396</u>	<u>11,676,266</u>	<u>22,731,891</u>	<u>23,406,629</u>
General Revenues:						
Property Taxes	2,468,102	2,410,343	0	0	2,468,102	2,410,343
Other Local Taxes	712,099	738,667	0	0	712,099	738,667
Municipal Income Taxes	11,601,665	11,085,556	0	0	11,601,665	11,085,556
Revenue in Lieu of Taxes	339,114	310,823	0	0	339,114	310,823
Grants and Entitlements not Restricted to Specific Programs	2,158,308	2,148,568	0	0	2,158,308	2,148,568
Investment Earnings	16,369	125,503	57,526	126,621	73,895	252,124
Other	397,906	368,886	29,830	31,975	427,736	400,861
<i>Total General Revenues</i>	<u>17,693,563</u>	<u>17,188,346</u>	<u>87,356</u>	<u>158,596</u>	<u>17,780,919</u>	<u>17,346,942</u>
<i>Total Revenues</i>	<u>28,288,058</u>	<u>28,918,709</u>	<u>12,224,752</u>	<u>11,834,862</u>	<u>40,512,810</u>	<u>40,753,571</u>
Program Expenses:						
General Government	10,210,347	9,093,180	0	0	10,210,347	9,093,180
Public Safety	13,166,582	13,664,046	0	0	13,166,582	13,664,046
Leisure Time Activities	509,311	389,573	0	0	509,311	389,573
Community Development	1,096,602	1,030,438	0	0	1,096,602	1,030,438
Transportation and Street Repair	1,829,298	2,044,120	0	0	1,829,298	2,044,120
Public Health and Welfare	91,846	91,313	0	0	91,846	91,313
Intergovernmental	222,316	207,546	0	0	222,316	207,546
Interest and Fiscal Charges	459,319	523,675	0	0	459,319	523,675
Water	0	0	3,456,025	3,421,387	3,456,025	3,421,387
Sewer	0	0	5,382,287	4,339,587	5,382,287	4,339,587
Sanitation	0	0	2,328,675	2,702,870	2,328,675	2,702,870
<i>Total Expenses</i>	<u>27,585,621</u>	<u>27,043,891</u>	<u>11,166,987</u>	<u>10,463,844</u>	<u>38,752,608</u>	<u>37,507,735</u>
<i>Increase in Net Assets</i>	702,437	1,874,818	1,057,765	1,371,018	1,760,202	3,245,836
<i>Net Assets at Beginning of Year</i>	<u>74,906,912</u>	<u>73,032,094</u>	<u>19,317,179</u>	<u>17,946,161</u>	<u>94,224,091</u>	<u>90,978,255</u>
<i>Net Assets at End of Year</i>	<u>\$75,609,349</u>	<u>\$74,906,912</u>	<u>\$20,374,944</u>	<u>\$19,317,179</u>	<u>\$95,984,293</u>	<u>\$94,224,091</u>

Governmental Activities

The City's governmental activities expenses exceeded program revenues in 2010 by \$17 million. However, with an infusion of \$17.7 million of general revenues, the net result was a .7 million increase in governmental activities net assets. Total net assets of governmental activities are now \$75.6 million.

City of Fairborn, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2010
(Unaudited)

Table 3
 Expenses and Program Revenues - Governmental Activities



Program revenues supporting governmental activities were just over 37 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 activities expenses and the program revenues that are generated to support these services. This disparity is made up with general revenues which finance nearly 63 percent of governmental activities.

Program revenues were 10 percent lower in 2010 as the City received nearly half a million dollars more in charges for services, yet operating and capital grants, contributions and interest were \$1.6 million less than 2009. The City received operating grants for public safety (D.A.R.E. program, victim assistance, jail diversion, justice administration), community development (neighborhood stabilization program), as well as operating contributions for transportation and street repair (state shared gasoline and motor vehicle license taxes). Capital grants, contributions and interest included the Clean Ohio Revitalization Fund (CORF) grant used for the environmental remediation of the Calamityville site, developer donated streets, and a grant received for park improvements.

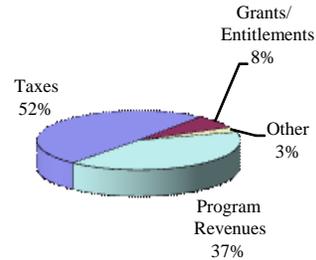
Income taxes, property taxes, and other local taxes make up 84 percent of general revenues. Income taxes were \$.5 million greater in 2010 than the prior year as employment increases at several key defense industry businesses in the City helped spur payroll levels for the year.

Investment earnings were down in 2010 due to dwindling balances available for investment and extremely low interest rates.

City of Fairborn, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2010
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Table 4
Governmental Activities Revenues

Governmental Activities Revenues	2010	% of Total
General Revenues - Taxes	\$14,781,866	52%
General Revenues - Grants/Entitlements	2,158,308	8%
General Revenues - Other	753,389	3%
Program Revenues	<u>10,594,495</u>	<u>37%</u>
Total	<u>\$28,288,058</u>	<u>100%</u>



Income taxes, property taxes, and other local taxes made up over half of total revenues for governmental activities in fiscal year 2010. The City's reliance upon tax revenues is demonstrated in Table 4, which shows that tax revenues account for approximately 52 percent of total revenues.

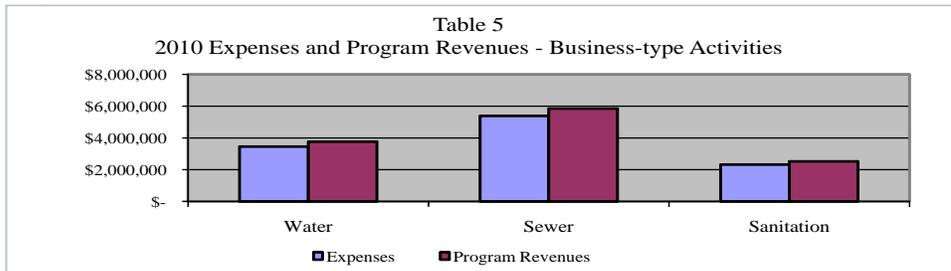
Because of the unique nature of property taxes in Ohio, taxing authorities must routinely seek voter approval for operating funds. In general, property tax revenue generated by a voted operating levy does not increase as property values increase. Instead, gross tax rates voted for by residents are reduced,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

The City's income tax is 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.

Business-type Activities

Net assets of the City's Water and Sewer Funds constitute 95 percent of the business-type activities net assets, with the Sanitation Fund making up the remainder. Business-type activities net assets rose five percent to \$20.4 million. Business-type activities receive no support from tax revenues. Both the Water Fund and the Sewer Fund reported increased operating income for 2010, influenced by increases to both water and sewer usage rates while consumption remained virtually equal to 2009 levels. The Sanitation Fund revenues exceeded expenses and fund net assets increased by \$.2 million to \$.7 million. Table 5 summarizes 2010 expenses and program revenues for business-type activities.

City of Fairborn, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2010
(Unaudited)



Business Activity	Expenses	Program Revenues	Difference
Water	\$ 3,456,025	\$ 3,765,637	\$ 309,612
Sewer	5,382,287	5,845,952	463,665
Sanitation	2,328,675	2,525,807	197,132
	<u>\$ 11,166,987</u>	<u>\$ 12,137,396</u>	<u>\$ 970,409</u>

THE CITY'S FUNDS

Governmental funds report financial activity focusing on the near-term flow of expendable resources and assists in demonstrating fiscal accountability. Thus, fund balances provide us with a snapshot of what resources are available at year-end for near-term spending, and an analysis of changes to fund balances over time assists in evaluating the degree to which a specific program, or a group of activities, is "living within its means."

The City has six major governmental funds including the General, Fire and EMS, Police, County Motor Vehicle Tax, General Bond Retirement, and Tax Increment Financing fund, which combine for 37 percent of all governmental fund balances and 65 percent of the governmental funds' total assets of \$24.4 million.

General Fund: The effects of the economy have placed significant stress on the General Fund over the last several years and 2010 produced a third-straight year fund balances decreased. However, the \$.3 million (seven percent) reduction to the 2010 General Fund balance was a vast improvement over the \$1.4 million and \$1 million net decrease in fund balance recorded in 2009 and 2008, respectively. Following a first quarter analysis that projected a deficit that would cause the General Fund balance to dip below targeted reserves, City management engaged in an intense review and analysis of operations in order to identify necessary budget reductions for the remainder of 2010. All departments worked cooperatively resulting in a City-wide determination to maintain budgetary control and reduce spending where possible. With direction from City Council, the City implemented the necessary layoffs and other budget reductions in order to limit the 2010 reduction in fund balance and maintain an acceptable reserve heading into 2011.

Fire and EMS Fund: The General Fund subsidizes the Fire and EMS Fund with operating transfers that were 59 percent of total fund revenues and other financing sources in 2010 with the intent that this fund maintains a minimum cash balance. Accrued expenditures exceeded accrued revenues at year-end reducing the December 31, 2010 fund balance to a negative \$.3 million.

City of Fairborn, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2010
(Unaudited)

Police Fund: The General Fund subsidizes the Police Fund with operating transfers that were 95 percent of total fund revenues and other financing sources in 2010 with the intent that this fund maintains a minimum cash balance. Accrued expenditures exceeded accrued revenues at year-end resulting in a December 31, 2010 fund balance of negative \$.3 million.

County Motor Vehicle Tax Fund: The fund balance at December 31, 2010, was \$2.3 million, which was more than double of the 2009 balance.

General Bond Retirement Fund: The fund balance at December 31, 2010, was \$.3 million, a slight decrease from 2009, but relatively consistent compared to the prior year.

Tax Increment Financing Fund: A negative fund balance continues to be carried in this fund as payments in lieu of taxes revenues are not sufficient to retire the notes issued to fund the TIF district infrastructure improvements. Fund balance at December 31, 2010 was a negative \$1.9 million. This reduced the deficit balance from the prior year by \$69,183.

General Fund Budgetary Highlights

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

General Fund final budgeted revenues were \$.7 million less than original budgeted revenues as the City reacted in the second quarter of 2010 to an unexpected trending decline in income taxes and enterprise management fees, two of the most significant revenue sources. These revenues recovered in the second half of the year and actual revenues were five percent or \$.8 million greater than the revised budget for the year.

As a result of the projected decline in revenues mentioned above management took steps to cut the General Fund expenditure budget in order to maintain an appropriate level of reserves. Cuts to personal services were implemented as well as other reductions to capital, contractual services, and commodities budgets. As a result, final budgeted expenditures, including transfers and advances, were \$1.2 million or seven percent less than the original budget.

Actual expenditures and other financing sources of \$17.2 million for the General Fund were over 99 percent of the final budget with over \$10 million in 2010 transferred to the Police Fund and the Fire and EMS Fund for public safety services, which makes up by far the vast majority of these transfers. The remaining \$.8 million are transferred to other funds to subsidize street lighting; victim assistance; cemetery operations; and to provide funding for general capital outlay, maintenance, or debt associated with City building and land improvements.

The proactive budget adjustments made mid-year were difficult and unfortunate, but proved invaluable in stabilizing the General Fund in 2010. As a result of these efforts, the City is in a much better position to deal with the lingering effects of a stagnant economy and the associated budgetary stress facing municipalities across Ohio and the nation.

City of Fairborn, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2010
(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 6 summarizes the capital assets of governmental and business-type activities, net of accumulated depreciation.

The most significant change to capital assets used in governmental activities resulted from the street resurfacing program where a net of \$1.3 million in road improvements were added to infrastructure. Less significantly, land was increased due to site preparation on the new Waterford Landing subdivision; additions to improvements other than buildings included fencing and tennis court resurfacing in two city parks and the construction of a new restroom at Community Park; and vehicle additions included a new EMS medic unit, four new police cruisers paid from forfeiture funds, and three vehicles acquired with street funds for the street department. The net effect of capital assets additions, deletions, and depreciation was a reduction of \$.8 million to governmental activities capital assets.

The completion of the main pump station at the Water Reclamation Center and the construction of the Northeast Mad River well field resulted in a significant increase to buildings (and decrease to construction in progress) in business-types activities capital assets. The net effect of all additions, deletions, and depreciation was a \$1 million reduction to capital assets used in business-type activities.

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

City of Fairborn, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2010
(Unaudited)

Table 6
Capital Assets (Net of Depreciation)

	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
Land	\$13,954,894	\$13,768,084	\$165,741	\$165,741	\$14,120,635	\$13,933,825
Construction in Progress	198,651	239,363	296,300	7,256,323	494,951	7,495,686
Buildings	14,032,945	14,503,650	17,845,745	11,066,185	31,878,690	25,569,835
Improvements Other Than Buildings	822,737	680,788	747,914	928,290	1,570,651	1,609,078
Machinery and Equipment	1,659,810	1,715,331	525,428	741,209	2,185,238	2,456,540
Vehicles	2,525,241	2,591,089	700,387	488,512	3,225,628	3,079,601
Infrastructure	34,943,014	35,431,052	6,473,748	7,105,192	41,416,762	42,536,244
Total	\$68,137,292	\$68,929,357	\$26,755,263	\$27,751,452	\$94,892,555	\$96,680,809

Debt Administration

Table 7 summarizes the 2010 and 2009 long-term debt activity of governmental and business-type activities.

Table 7
Outstanding Long-term Obligations at Year-End

	Governmental Activities		Business-type Activities	
	2010	2009	2010	2009
Long-term Notes	\$710,000	\$403,000	\$4,057,000	\$10,635,000
General Obligation Bonds	570,583	695,000	10,560,921	4,021,044
Revenue Bonds	4,802,583	5,830,729	0	0
Special Assessment Bonds	1,437,000	1,789,000	120,000	130,000
Landfill Closure and Postclosure	0	0	313,400	384,723
Loans	0	0	919,043	1,360,678
Capital Leases	527,264	669,186	285,848	4,767
Compensated Absences Payable	1,081,782	1,181,259	195,196	182,815
Totals	\$9,129,212	\$10,568,174	\$16,451,408	\$16,719,027

Scheduled debt service resulted in a 14 percent reduction for governmental activities long-term debt. Long-term various purpose sewer notes were retired with \$7.5 million general obligation sewer bonds.

See Note 14 in the notes of the basic financial statements for further details on the City's long-term obligations.

City of Fairborn, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2010
(Unaudited)

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. Questions about this report or requests for additional financial information can be directed to Randy Groves, Finance Director, at the Fairborn Government Center (44 West Hebble Avenue, Fairborn, Ohio 45324; (937) 754-3005) or through the City's website at www.ci.fairborn.oh.us/dept/finance.

City of Fairborn, Ohio
Statement of Net Assets
December 31, 2010

	Governmental Activities	Business-Type Activities	Total
Assets:			
Equity in Pooled Cash and Cash Equivalents	\$12,202,809	\$9,080,679	\$21,283,488
Accounts Receivable	706,859	1,124,522	1,831,381
Accrued Interest Receivable	18,033	0	18,033
Internal Balances	(223,971)	223,971	0
Assets Held for Resale	1,284,429	0	1,284,429
Materials and Supplies Inventory	213,769	231,676	445,445
Intergovernmental Receivable	1,979,973	0	1,979,973
Revenue in Lieu of Taxes Receivable	332,598	0	332,598
Municipal Income Taxes Receivable	4,108,401	0	4,108,401
Property Taxes Receivable	2,516,115	0	2,516,115
Other Local Taxes Receivable	113,236	0	113,236
Special Assessments Receivable	1,411,399	120,000	1,531,399
Deferred Charges	852	141,216	142,068
Nondepreciable Capital Assets	14,153,545	462,041	14,615,586
Depreciable Capital Assets, net	53,983,747	26,293,222	80,276,969
<i>Total Assets</i>	<u>92,801,794</u>	<u>37,677,327</u>	<u>130,479,121</u>
Liabilities:			
Accounts Payable	589,455	330,481	919,936
Contracts Payable	1,299,720	0	1,299,720
Matured Compensated Absences Payable	24,046	384	24,430
Accrued Wages Payable	455,917	75,823	531,740
Retainage Payable	137,879	0	137,879
Intergovernmental Payable	912,745	89,096	1,001,841
Refundable Deposits	0	203,154	203,154
Deferred Revenue	2,618,198	0	2,618,198
Notes Payable	1,993,163	0	1,993,163
Accrued Interest Payable	32,110	152,037	184,147
Long-Term Liabilities:			
Due Within One Year	2,606,697	1,500,236	4,106,933
Due in More Than One Year	6,522,515	14,951,172	21,473,687
<i>Total Liabilities</i>	<u>17,192,445</u>	<u>17,302,383</u>	<u>34,494,828</u>
Net Assets:			
Invested in Capital Assets, Net of Related Debt	58,223,118	12,913,413	71,136,531
Restricted for Debt Service	1,704,082	0	1,704,082
Restricted for Capital Outlay	2,761,647	0	2,761,647
Restricted for Public Safety	971,335	0	971,335
Restricted for Transportation and Street Repair	4,635,189	0	4,635,189
Restricted for Community Development	302,935	0	302,935
Restricted for General Government	1,380,707	0	1,380,707
Unrestricted	5,630,336	7,461,531	13,091,867
<i>Total Net Assets</i>	<u>\$75,609,349</u>	<u>\$20,374,944</u>	<u>\$95,984,293</u>

See accompanying notes to the basic financial statements

City of Fairborn, Ohio
Statement of Activities
For the Year Ended December 31, 2010

	Program Revenues			
	Expenses	Charges for Services	Operating Grants, Contributions and Interest	
Governmental Activities:				
General Government	\$10,210,347	\$4,546,522	\$16,892	\$1,099,959
Public Safety	13,166,582	2,243,439	463,525	420
Leisure Time Activities	509,311	17,755	0	48,494
Community Development	1,096,602	0	506,329	0
Transportation and Street Repair	1,829,298	0	1,614,402	5,199
Public Health and Welfare	91,846	31,559	0	0
Intergovernmental	222,316	0	0	0
Interest and Fiscal Charges	459,319	0	0	0
<i>Total Governmental Activities</i>	<u>27,585,621</u>	<u>6,839,275</u>	<u>2,601,148</u>	<u>1,154,072</u>
Business-Type Activities:				
Water	3,456,025	3,737,937	0	27,700
Sewer	5,382,287	5,754,670	51,742	39,540
Sanitation	2,328,675	2,525,807	0	0
<i>Total Business-Type Activities</i>	<u>11,166,987</u>	<u>12,018,414</u>	<u>51,742</u>	<u>67,240</u>
<i>Totals</i>	<u><u>\$38,752,608</u></u>	<u><u>\$18,857,689</u></u>	<u><u>\$2,652,890</u></u>	<u><u>\$1,221,312</u></u>

General Revenues:

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

Total General Revenues

Change in Net Assets

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

Net Assets at End of Year

See accompanying notes to the basic financial statements

<u>Net (Expense) Revenue and Changes in Net Assets</u>		
<u>Governmental</u> <u>Activities</u>	<u>Business-Type</u> <u>Activities</u>	<u>Total</u>
(\$4,546,974)	\$0	(\$4,546,974)
(10,459,198)	0	(10,459,198)
(443,062)	0	(443,062)
(590,273)	0	(590,273)
(209,697)	0	(209,697)
(60,287)	0	(60,287)
(222,316)	0	(222,316)
(459,319)	0	(459,319)
<u>(16,991,126)</u>	<u>0</u>	<u>(16,991,126)</u>
0	309,612	309,612
0	463,665	463,665
0	197,132	197,132
<u>0</u>	<u>970,409</u>	<u>970,409</u>
<u>(16,991,126)</u>	<u>970,409</u>	<u>(16,020,717)</u>
1,645,992	0	1,645,992
380,949	0	380,949
152,106	0	152,106
149,388	0	149,388
139,667	0	139,667
712,099	0	712,099
7,739,285	0	7,739,285
1,931,190	0	1,931,190
1,931,190	0	1,931,190
339,114	0	339,114
2,158,308	0	2,158,308
16,369	57,526	73,895
397,906	29,830	427,736
<u>17,693,563</u>	<u>87,356</u>	<u>17,780,919</u>
702,437	1,057,765	1,760,202
<u>74,906,912</u>	<u>19,317,179</u>	<u>94,224,091</u>
<u>\$75,609,349</u>	<u>\$20,374,944</u>	<u>\$95,984,293</u>

City of Fairborn, Ohio
Balance Sheet
Governmental Funds
December 31, 2010

	General	Fire and EMS	Police
Assets:			
Equity in Pooled Cash and Cash Equivalents	\$2,932,693	\$124,830	\$108,543
Receivables:			
Property Taxes	1,691,214	391,740	156,581
Other Local Taxes	90,257	0	0
Municipal Income Taxes	2,756,265	0	0
Revenue in Lieu of Taxes	0	0	0
Interfund	100,750	0	0
Accounts	0	583,958	0
Special Assessments	0	0	0
Accrued Interest	18,033	0	0
Intergovernmental	915,401	25,973	32,474
Assets Held for Resale	0	0	0
Materials and Supplies Inventory	10,855	0	14,528
<i>Total Assets</i>	<u>\$8,515,468</u>	<u>\$1,126,501</u>	<u>\$312,126</u>
Liabilities and Fund Balances:			
Liabilities:			
Accounts Payable	\$235,209	\$34,012	\$16,631
Contracts Payable	0	0	0
Retainage Payable	0	0	0
Interfund Payable	2,066	3,810	9,507
Accrued Wages Payable	120,533	123,488	135,289
Matured Compensated Absences Payable	0	0	0
Intergovernmental Payable	170,246	364,943	314,248
Deferred Revenue	4,486,138	894,113	182,521
Accrued Interest Payable	0	0	0
Notes Payable	0	0	0
<i>Total Liabilities</i>	<u>5,014,192</u>	<u>1,420,366</u>	<u>658,196</u>
Fund Balances:			
Reserved for Encumbrances	186,548	89,365	70,930
Reserved for Assets Held for Resale	0	0	0
Unreserved, Undesignated (Deficit), Reported in:			
General Fund	3,314,728	0	0
Special Revenue Funds	0	(383,230)	(417,000)
Debt Service Fund	0	0	0
Capital Projects Funds	0	0	0
<i>Total Fund Balances (Deficit)</i>	<u>3,501,276</u>	<u>(293,865)</u>	<u>(346,070)</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$8,515,468</u>	<u>\$1,126,501</u>	<u>\$312,126</u>

See accompanying notes to the basic financial statements

County Motor Vehicle Tax	General Bond Retirement	Tax Increment Financing	Nonmajor Governmental Funds	Total Governmental Funds
\$2,913,618	\$298,068	\$7,106	\$5,326,022	\$11,710,880
0	133,040	0	143,540	2,516,115
0	0	0	22,979	113,236
676,068	0	0	676,068	4,108,401
0	0	332,598	0	332,598
0	0	0	0	100,750
0	107,583	0	15,318	706,859
0	1,411,399	0	0	1,411,399
0	0	0	0	18,033
15,794	7,660	0	982,671	1,979,973
0	0	0	1,284,429	1,284,429
0	0	0	82,023	107,406
<u>\$3,605,480</u>	<u>\$1,957,750</u>	<u>\$339,704</u>	<u>\$8,533,050</u>	<u>\$24,390,079</u>
\$28,794	\$377	\$0	\$188,697	\$503,720
599,640	0	0	700,080	1,299,720
131,418	0	0	6,461	137,879
0	0	0	108,010	123,393
0	0	0	59,139	438,449
0	0	0	24,046	24,046
0	0	0	38,578	888,015
533,815	1,659,682	332,598	1,110,529	9,199,396
0	0	11,535	1,887	13,422
0	0	1,858,163	135,000	1,993,163
<u>1,293,667</u>	<u>1,660,059</u>	<u>2,202,296</u>	<u>2,372,427</u>	<u>14,621,203</u>
833,841	2,517	0	1,104,852	2,288,053
0	0	0	1,284,429	1,284,429
0	0	0	0	3,314,728
1,477,972	0	0	1,797,442	2,475,184
0	295,174	0	0	295,174
0	0	(1,862,592)	1,973,900	111,308
<u>2,311,813</u>	<u>297,691</u>	<u>(1,862,592)</u>	<u>6,160,623</u>	<u>9,768,876</u>
<u>\$3,605,480</u>	<u>\$1,957,750</u>	<u>\$339,704</u>	<u>\$8,533,050</u>	<u>\$24,390,079</u>

City of Fairborn, Ohio
*Reconciliation of Total Governmental Fund Balances to
 Net Assets of Governmental Activities
 December 31, 2010*

Total Governmental Fund Balances	\$9,768,876
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Amounts reported for governmental activities in the Statement of Net Assets are different because:

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

Capital Assets:		
Land	13,954,894	
Construction in Progress	198,651	
Buildings	19,359,709	
Improvements Other Than Buildings	2,113,638	
Machinery and Equipment	4,179,799	
Vehicles	5,337,163	
Infrastructure	69,339,995	
Accumulated Depreciation	<u>(46,346,557)</u>	
 Total		 68,137,292

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.	497,167
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Adjustment to reflect the consolidation of internal service fund activities related to enterprise activity. Matured Compensated Absences Payable	(228,136)
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Bond issuance costs reported as an expenditure in governmental funds are allocated as an expense over the life of the debt on a full accrual basis. Deferred charges	852
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Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:		
Property Taxes	230,515	
Municipal Income Taxes	3,252,584	
Intergovernmental	1,082,534	
Special Assessments	1,411,399	
Charges for Services	596,648	
Interest	<u>7,518</u>	
 Total		 6,581,198

In the Statement of Activities, interest is accrued on long-term debt, whereas in governmental funds, an interest expenditure is reported when due.	(18,688)
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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	(113,166)	
Notes Payable	(710,000)	
General Obligation Bonds	(570,000)	
Income Tax Revenue Bonds	(4,690,000)	
Special Assessment Bonds	(1,437,000)	
Capital Leases Payable	(527,264)	
Compensated Absences Payable	<u>(1,081,782)</u>	
 Total		 <u>(9,129,212)</u>

<i>Net Assets of Governmental Activities</i>	<u><u>\$75,609,349</u></u>
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See accompanying notes to the basic financial statements



City of Fairborn, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2010

	General	Fire and EMS	Police
Revenues:			
Property Taxes	\$1,639,047	\$378,676	\$151,147
Other Local Taxes	654,225	0	0
Municipal Income Taxes	7,640,379	0	0
Revenue in Lieu of Taxes	0	0	0
Fines, Licenses and Permits	1,200,685	1,825	2,295
Charges for Services	2,748,052	1,928,668	27,724
Investment Earnings	47,572	0	0
Intergovernmental	2,258,933	94,521	120,685
Special Assessments	0	0	0
Other	179,328	19,519	9,963
<i>Total Revenues</i>	<u>16,368,221</u>	<u>2,423,209</u>	<u>311,814</u>
Expenditures:			
Current:			
General Government	5,889,672	0	0
Public Safety	0	5,890,750	6,119,402
Leisure Time Activities	196,177	0	0
Community Development	697,832	0	0
Transportation and Street Repair	0	0	0
Public Health and Welfare	0	0	0
Capital Outlay	33,547	0	14,580
Intergovernmental	0	0	0
Debt Service:			
Principal Retirement	10,299	5,073	0
Interest and Fiscal Charges	3,469	1,709	0
Issuance Costs	0	0	0
<i>Total Expenditures</i>	<u>6,830,996</u>	<u>5,897,532</u>	<u>6,133,982</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>9,537,225</u>	<u>(3,474,323)</u>	<u>(5,822,168)</u>
Other Financing Sources (Uses):			
General Obligation Bonds Issued	3,640	0	0
Refunding Notes Issued	0	0	0
Transfers-In	203,700	3,459,619	5,762,905
Premium on Debt Issued	0	0	0
Transfers-Out	(10,009,724)	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>(9,802,384)</u>	<u>3,459,619</u>	<u>5,762,905</u>
<i>Net Change in Fund Balances</i>	(265,159)	(14,704)	(59,263)
<i>Fund Balances (Deficit) at Beginning of Year</i>	<u>3,766,435</u>	<u>(279,161)</u>	<u>(286,807)</u>
<i>Fund Balances (Deficit) at End of Year</i>	<u><u>\$3,501,276</u></u>	<u><u>(\$293,865)</u></u>	<u><u>(\$346,070)</u></u>

See accompanying notes to the basic financial statements

County Motor Vehicle Tax	General Bond Retirement	Tax Increment Financing	Nonmajor Governmental Funds	Total Governmental Funds
\$0	\$150,749	\$0	\$139,027	\$2,458,646
0	0	0	57,874	712,099
1,901,285	0	0	1,901,285	11,442,949
0	0	339,114	0	339,114
0	0	0	612,793	1,817,598
0	56,101	0	107,796	4,868,341
45,312	20,922	0	51,841	165,647
323,588	18,767	0	3,097,565	5,914,059
0	414,979	0	0	414,979
13,386	0	0	175,710	397,906
<u>2,283,571</u>	<u>661,518</u>	<u>339,114</u>	<u>6,143,891</u>	<u>28,531,338</u>
0	35,968	12,316	1,579,567	7,517,523
0	0	0	762,634	12,772,786
0	0	0	195,397	391,574
0	0	0	382,625	1,080,457
289,651	0	0	1,170,544	1,460,195
0	0	0	90,865	90,865
826,782	0	0	1,630,248	2,505,157
0	0	222,316	0	222,316
0	492,000	0	1,533,120	2,040,492
0	169,667	35,299	275,543	485,687
0	0	0	852	852
<u>1,116,433</u>	<u>697,635</u>	<u>269,931</u>	<u>7,621,395</u>	<u>28,567,904</u>
<u>1,167,138</u>	<u>(36,117)</u>	<u>69,183</u>	<u>(1,477,504)</u>	<u>(36,566)</u>
0	3,717	0	37,643	45,000
0	0	0	710,000	710,000
0	0	0	800,500	10,226,724
0	583	0	0	583
0	0	0	(217,000)	(10,226,724)
<u>0</u>	<u>4,300</u>	<u>0</u>	<u>1,331,143</u>	<u>755,583</u>
1,167,138	(31,817)	69,183	(146,361)	719,017
<u>1,144,675</u>	<u>329,508</u>	<u>(1,931,775)</u>	<u>6,306,984</u>	<u>9,049,859</u>
<u>\$2,311,813</u>	<u>\$297,691</u>	<u>(\$1,862,592)</u>	<u>\$6,160,623</u>	<u>\$9,768,876</u>



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, 2010*

Net Change in Fund Balances - Total Governmental Funds		\$719,017
 <i>Amounts reported for governmental activities in the Statement of Activities are different because:</i>		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:		
Capital Outlay	2,505,157	
Depreciation	<u>(3,327,615)</u>	
Excess of Capital Outlay and Capital Contributions over Depreciation Expense		(822,458)
Capital assets donated by developers:		399,670
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		(338,121)
Capital assets transferred to internal service funds are reported as transfers on the fund statements.		
		(41,030)
Repayment of long-term obligations is reported as an expenditure in governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets. In the current year, these amounts consist of:		
Notes Payable	403,000	
General Obligation Bonds	170,000	
Income Tax Revenue Bonds	1,000,000	
Special Assessment Bonds	352,000	
Capital Leases Payable	<u>115,492</u>	
		2,040,492
The Internal Service Funds used by management to charge the costs of equipment repairs and to individual funds, is reported in the Statement of Activities. The net gain of the internal service funds is reported with governmental activities, net of the adjustment to reflect the consolidation of internal service fund activities related to business-type activities.		
		26,353
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	9,456	
Municipal Income Taxes	158,716	
Investment Earnings	(56,838)	
Charges for Services	50,517	
Intergovernmental	(497,354)	
Special Assessments	<u>(312,160)</u>	
		(647,663)
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.		
General Obligation Bonds	(45,000)	
Refunding Notes	<u>(710,000)</u>	
		(\$755,000)
		(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, 2010
(Continued)*

In the Statement of Activities, interest accrued on outstanding bonds and issuance costs are 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 revenue/expenditure is reported when the bonds are issued. Interest expense is recognized as the interest accrues, regardless of when it is due.

Premium on Bonds	(583)	
Accrued Interest	1,595	
Amortization of Premium on General Obligation Bond	28,146	
Bond Issuance Costs	852	
		\$30,010

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:

Decrease in Compensated Absences		91,167
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<i>Change in Net Assets of Governmental Activities</i>		\$702,437
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See accompanying notes to the basic financial statements

City of Fairborn, Ohio
Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
General Fund
For the Year Ended December 31, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property Taxes	\$1,592,666	\$1,497,910	\$1,639,047	\$141,137
Other Local Taxes	643,272	605,000	649,823	44,823
Municipal Income Taxes	7,974,441	7,500,000	7,589,113	89,113
Fines, Licenses and Permits	1,224,662	1,151,800	1,249,256	97,456
Charges for Services	2,846,937	2,677,558	2,748,052	70,494
Investment Earnings	175,438	165,000	208,541	43,541
Intergovernmental	2,407,229	2,264,010	2,513,401	249,391
Other	155,126	145,897	181,467	35,570
<i>Total Revenues</i>	<u>17,019,771</u>	<u>16,007,175</u>	<u>16,778,700</u>	<u>771,525</u>
Expenditures:				
Current:				
General Government	5,853,648	6,179,070	6,148,297	30,773
Leisure Time Activities	221,412	196,080	195,941	139
Community Development	780,112	707,783	706,141	1,642
Capital Outlay	11,225	39,573	37,074	2,499
<i>Total Expenditures</i>	<u>6,866,397</u>	<u>7,122,506</u>	<u>7,087,453</u>	<u>35,053</u>
<i>Excess of Revenues Over Expenditures</i>	<u>10,153,374</u>	<u>8,884,669</u>	<u>9,691,247</u>	<u>806,578</u>
Other Financing Sources (Uses):				
General Obligation Bonds Issued	0	0	3,640	3,640
Advances-In	0	95,000	94,000	(1,000)
Transfers-In	0	201,797	203,700	1,903
Advances-Out	0	(96,000)	(96,000)	0
Transfers-Out	(11,537,822)	(10,028,683)	(10,009,724)	18,959
<i>Total Other Financing Sources (Uses)</i>	<u>(11,537,822)</u>	<u>(9,827,886)</u>	<u>(9,804,384)</u>	<u>23,502</u>
<i>Net Change in Fund Balance</i>	(1,384,448)	(943,217)	(113,137)	830,080
<i>Fund Balance at Beginning of Year</i>	2,383,780	2,383,780	2,383,780	0
<i>Prior Year Encumbrances Appropriated</i>	<u>293,092</u>	<u>293,092</u>	<u>293,092</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>\$1,292,424</u>	<u>\$1,733,655</u>	<u>\$2,563,735</u>	<u>\$830,080</u>

See accompanying notes to the basic financial statements

City of Fairborn, Ohio
Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Fire and EMS Fund
For the Year Ended December 31, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property Taxes	\$404,882	\$378,676	\$378,676	\$0
Fines, Licenses and Permits	1,283	1,200	1,825	625
Charges for Services	2,060,985	1,927,587	1,934,306	6,719
Intergovernmental	103,318	96,632	96,632	0
Other	20,673	19,334	19,519	185
<i>Total Revenues</i>	2,591,141	2,423,429	2,430,958	7,529
Expenditures:				
Current:				
Public Safety	6,404,685	6,064,711	6,062,907	1,804
<i>Excess of Revenues Under Expenditures</i>	(3,813,544)	(3,641,282)	(3,631,949)	9,333
Other Financing Sources:				
Transfers-In	3,708,698	3,468,651	3,459,619	(9,032)
<i>Net Change in Fund Balance</i>	(104,846)	(172,631)	(172,330)	301
<i>Fund Balance at Beginning of Year</i>	69,290	69,290	69,290	0
<i>Prior Year Encumbrances Appropriated</i>	104,846	104,846	104,846	0
<i>Fund Balance at End of Year</i>	<u>\$69,290</u>	<u>\$1,505</u>	<u>\$1,806</u>	<u>\$301</u>

See accompanying notes to the basic financial statements

City of Fairborn, Ohio
Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Police Fund
For the Year Ended December 31, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property Taxes	\$159,860	\$150,778	\$151,147	\$369
Fines, Licenses and Permits	2,380	2,245	2,295	50
Charges for Services	29,394	27,724	27,724	0
Intergovernmental	153,977	145,229	151,708	6,479
Other	11,211	10,574	10,574	0
<i>Total Revenues</i>	<u>356,822</u>	<u>336,550</u>	<u>343,448</u>	<u>6,898</u>
Expenditures:				
Current:				
Public Safety	6,518,462	6,246,718	6,225,711	21,007
Capital Outlay	0	14,580	14,580	0
<i>Total Expenditures</i>	<u>6,518,462</u>	<u>6,261,298</u>	<u>6,240,291</u>	<u>21,007</u>
<i>Excess of Revenues Under Expenditures</i>	(6,161,640)	(5,924,748)	(5,896,843)	27,905
Other Financing Sources:				
Transfers-In	6,117,549	5,770,000	5,762,905	(7,095)
<i>Net Change in Fund Balance</i>	(44,091)	(154,748)	(133,938)	20,810
<i>Fund Balance at Beginning of Year</i>	110,857	110,857	110,857	0
<i>Prior Year Encumbrances Appropriated</i>	44,091	44,091	44,091	0
<i>Fund Balance at End of Year</i>	<u>\$110,857</u>	<u>\$200</u>	<u>\$21,010</u>	<u>\$20,810</u>

See accompanying notes to the basic financial statements

City of Fairborn, Ohio
*Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
County Motor Vehicle Tax Fund
For the Year Ended December 31, 2010*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Municipal Income Taxes	\$1,947,204	\$1,874,991	\$1,888,624	\$13,633
Investment Earnings	0	0	45,312	45,312
Intergovernmental	938,816	904,000	323,349	(580,651)
Other	0	0	13,386	13,386
<i>Total Revenues</i>	<u>2,886,020</u>	<u>2,778,991</u>	<u>2,270,671</u>	<u>(508,320)</u>
Expenditures:				
Current:				
Transportation and Street Repair	454,171	349,090	319,049	30,041
Capital Outlay	2,562,549	2,653,564	1,800,158	853,406
<i>Total Expenditures</i>	<u>3,016,720</u>	<u>3,002,654</u>	<u>2,119,207</u>	<u>883,447</u>
<i>Net Change in Fund Balance</i>	(130,700)	(223,663)	151,464	375,127
<i>Fund Balance at Beginning of Year</i>	871,755	871,755	871,755	0
<i>Prior Year Encumbrances Appropriated</i>	296,708	296,708	296,708	0
<i>Fund Balance at End of Year</i>	<u>\$1,037,763</u>	<u>\$944,800</u>	<u>\$1,319,927</u>	<u>\$375,127</u>

See accompanying notes to the basic financial statement:

City of Fairborn, Ohio
Statement of Fund Net Assets
Proprietary Funds
December 31, 2010

	Enterprise Funds				Internal Service Funds
	Water	Sewer	Sanitation	Total	
Assets:					
Current Assets					
Equity in Pooled Cash and Cash Equivalents	\$4,032,527	\$4,088,018	\$756,980	\$8,877,525	\$491,929
Restricted Assets:					
Equity in Pooled Cash and Cash Equivalents	67,718	67,718	67,718	203,154	0
Accounts Receivable	307,040	540,271	277,211	1,124,522	0
Interfund Receivable	0	0	0	0	26,808
Materials and Supplies Inventory	183,845	47,831	0	231,676	106,363
Special Assessments Receivable	0	120,000	0	120,000	0
<i>Total Current Assets</i>	<u>4,591,130</u>	<u>4,863,838</u>	<u>1,101,909</u>	<u>10,556,877</u>	<u>625,100</u>
Non-current Assets					
Deferred Charges	0	141,216	0	141,216	0
Nondepreciable Capital Assets	219,498	242,543	0	462,041	116,497
Depreciable Capital Assets, Net	7,091,248	19,021,068	180,906	26,293,222	262,832
<i>Total Non-current Assets</i>	<u>7,310,746</u>	<u>19,404,827</u>	<u>180,906</u>	<u>26,896,479</u>	<u>379,329</u>
<i>Total Assets</i>	<u>11,901,876</u>	<u>24,268,665</u>	<u>1,282,815</u>	<u>37,453,356</u>	<u>1,004,429</u>
Liabilities:					
Current Liabilities					
Accounts Payable	43,759	108,192	178,530	330,481	85,735
Matured Compensated Absences Payable	0	0	384	384	0
Accrued Wages Payable	29,210	41,544	5,069	75,823	17,468
Compensated Absences Payable	44,623	87,745	2,153	134,521	35,847
Intergovernmental Payable	34,263	51,262	3,571	89,096	24,730
Refundable Deposits	67,718	67,718	67,718	203,154	0
Interfund Payable	3,110	873	182	4,165	0
Accrued Interest Payable	39,140	112,897	0	152,037	0
General Obligation Bonds Payable	380,150	529,850	0	910,000	0
Landfill Postclosure Costs Payable	0	0	39,175	39,175	0
Capital Lease Payable	507	60,597	0	61,104	11,124
Special Assessment Bonds Payable	0	5,000	0	5,000	0
Loans Payable	16,686	333,750	0	350,436	0
<i>Total Current Liabilities</i>	<u>\$659,166</u>	<u>\$1,399,428</u>	<u>\$296,782</u>	<u>\$2,355,376</u>	<u>\$174,904</u>

(continued)

City of Fairborn, Ohio
Statement of Fund Net Assets
Proprietary Funds
December 31, 2010
(Continued)

	Enterprise Funds				Internal Service Funds
	Water	Sewer	Sanitation	Total	
Long-Term Liabilities					
Notes Payable	\$4,057,000	\$0	\$0	\$4,057,000	\$0
General Obligation Bonds Payable	883,381	8,767,540	0	9,650,921	0
Special Assessment Bonds Payable	0	115,000	0	115,000	0
Loans Payable	75,086	493,521	0	568,607	0
Landfill Postclosure Costs Payable	0	0	274,225	274,225	0
Capital Lease Payable	3,770	220,974	0	224,744	41,564
Compensated Absences Payable	23,448	37,227	0	60,675	7,511
<i>Total Long-Term Liabilities</i>	<u>5,042,685</u>	<u>9,634,262</u>	<u>274,225</u>	<u>14,951,172</u>	<u>49,075</u>
<i>Total Liabilities</i>	<u>5,701,851</u>	<u>11,033,690</u>	<u>571,007</u>	<u>17,306,548</u>	<u>223,979</u>
Net Assets:					
Invested in Capital Assets, Net of Related Debt	3,753,912	8,978,595	180,906	12,913,413	326,641
Unrestricted	2,446,113	4,256,380	530,902	7,233,395	453,809
<i>Total Net Assets</i>	<u>\$6,200,025</u>	<u>\$13,234,975</u>	<u>\$711,808</u>	<u>20,146,808</u>	<u>\$780,450</u>
Net assets reported for business-type activities in the statement of net assets are different because they include a proportionate share of the balance of the internal service fund.				<u>228,136</u>	
Net assets of Business-Type Activities				<u>\$20,374,944</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, 2010

	Enterprise Funds				Internal Service Funds
	Water	Sewer	Sanitation	Total	
Operating Revenues:					
Charges for Services	\$3,737,937	\$5,754,670	\$2,525,807	\$12,018,414	\$1,808,033
Other	13,674	16,156	0	29,830	3,319
<i>Total Operating Revenues</i>	<u>3,751,611</u>	<u>5,770,826</u>	<u>2,525,807</u>	<u>12,048,244</u>	<u>1,811,352</u>
Operating Expenses:					
Personal Services	1,084,326	1,459,443	116,577	2,660,346	819,676
Contractual Services	1,364,632	2,237,399	2,158,904	5,760,935	242,489
Materials and Supplies	139,286	258,291	13,448	411,025	713,617
Depreciation	754,649	938,658	42,325	1,735,632	37,705
<i>Total Operating Expenses</i>	<u>3,342,893</u>	<u>4,893,791</u>	<u>2,331,254</u>	<u>10,567,938</u>	<u>1,813,487</u>
<i>Operating Income (Loss)</i>	<u>408,718</u>	<u>877,035</u>	<u>194,553</u>	<u>1,480,306</u>	<u>(2,135)</u>
Non-Operating Revenues (Expenses):					
Investment Earnings	37,407	20,119	0	57,526	4,713
Intergovernmental	0	51,742	0	51,742	0
Interest and Fiscal Charges	(120,173)	(485,408)	0	(605,581)	(3,373)
Loss on Disposal of Capital Assets	0	(7,350)	0	(7,350)	0
<i>Total Non-Operating Revenues (Expenses)</i>	<u>(82,766)</u>	<u>(420,897)</u>	<u>0</u>	<u>(503,663)</u>	<u>1,340</u>
<i>Income (Loss) Before Capital Contributions, Special Assessments and Transfers</i>	<u>325,952</u>	<u>456,138</u>	<u>194,553</u>	<u>976,643</u>	<u>(795)</u>
Capital Contributions	27,700	33,700	0	61,400	42,750
Special Assessments	0	5,840	0	5,840	0
Transfers - Out	0	0	0	0	(1,720)
<i>Change in Net Assets</i>	<u>353,652</u>	<u>495,678</u>	<u>194,553</u>	<u>1,043,883</u>	<u>40,235</u>
<i>Net Assets at Beginning of Year - Restated (See Note 3)</i>	<u>5,846,373</u>	<u>12,739,297</u>	<u>517,255</u>		<u>740,215</u>
<i>Net Assets at End of Year</i>	<u>\$6,200,025</u>	<u>\$13,234,975</u>	<u>\$711,808</u>		<u>\$780,450</u>
<i>Adjustments to reflect the consolidation of Internal Service Funds' activity related to Enterprise Funds</i>				<u>13,882</u>	
<i>Change in net assets of business-type activities</i>				<u>\$1,057,765</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, 2010

	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	\$3,761,983	\$5,691,258	\$2,481,235	\$11,934,476	\$0
Cash Received From Interfund Services Provided	0	0	0	0	1,814,531
Cash Received From Other Operating Revenues	14,163	21,185	0	35,348	3,319
Utility Deposits Received	27,850	27,850	27,850	83,550	0
Utility Deposits Returned	(25,600)	(25,600)	(25,600)	(76,800)	0
Cash Payments for Employee Services and Benefits	(1,076,939)	(1,458,905)	(110,733)	(2,646,577)	(832,218)
Cash Payments to Suppliers	(1,498,486)	(2,436,822)	(2,325,276)	(6,260,584)	(888,373)
<i>Net Cash Provided by Operating Activities</i>	<u>1,202,971</u>	<u>1,818,966</u>	<u>47,476</u>	<u>3,069,413</u>	<u>97,259</u>
Cash Flows from Noncapital Financing Activities:					
Grants	<u>0</u>	<u>51,742</u>	<u>0</u>	<u>51,742</u>	<u>0</u>
Cash Flows From for Capital and Related Financing Activities:					
Cash Received from Special Assessments	0	10,000	0	10,000	0
Acquisition of Capital Assets	(141,464)	(310,774)	(12,985)	(465,223)	(6,549)
Bond Proceeds	0	7,460,000	0	7,460,000	0
Bond Discount	0	(70,241)	0	(70,241)	0
Bond Issuance Costs	0	(141,216)	0	(141,216)	0
Note Proceeds	4,057,000	0	0	4,057,000	0
Note Premiums	19,995	0	0	19,995	0
Notes Principal Payments	(3,487,000)	(7,148,000)	0	(10,635,000)	0
Notes Interest Payments	(146,719)	(142,563)	0	(289,282)	0
General Obligation Bond Principal Payments	(360,700)	(494,300)	0	(855,000)	0
General Obligation Bond Interest Payments	0	(261,688)	0	(261,688)	0
Special Assessment Bond Principal Payments	0	(10,000)	0	(10,000)	0
Special Assessment Bond Interest Payments	0	(5,550)	0	(5,550)	0
Loans Payable Principal Payments	(16,686)	(424,949)	0	(441,635)	0
Loans Payable Interest Payments	0	(55,693)	0	(55,693)	0
Capital Lease Principal Payments	(490)	0	0	(490)	(26,430)
Capital Lease Interest Payments	(165)	0	0	(165)	(3,373)
Capital Contributions by Customers	27,700	33,700	0	61,400	0
<i>Net Cash Used for Capital and Related Financing Activities</i>	<u>(48,529)</u>	<u>(1,561,274)</u>	<u>(12,985)</u>	<u>(1,622,788)</u>	<u>(36,352)</u>
Cash Flows from Investing Activities:					
Interest	<u>37,407</u>	<u>25,959</u>	<u>0</u>	<u>63,366</u>	<u>4,713</u>
<i>Net Increase in Cash and Cash Equivalents</i>	1,191,849	335,393	34,491	1,561,733	65,620
<i>Cash and Cash Equivalents at Beginning of Year</i>	<u>2,908,396</u>	<u>3,820,343</u>	<u>790,207</u>	<u>7,518,946</u>	<u>426,309</u>
<i>Cash and Cash Equivalents at End of Year</i>	<u>\$4,100,245</u>	<u>\$4,155,736</u>	<u>\$824,698</u>	<u>\$9,080,679</u>	<u>\$491,929</u>

(continued)

City of Fairborn, Ohio
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2010
(Continued)

	Enterprise Funds				Internal Service Fund
	Water	Sewer	Sanitation	Total	
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:					
Operating Income (Loss)	\$408,718	\$877,035	\$194,553	\$1,480,306	(\$2,135)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:					
Depreciation	754,649	938,658	42,325	1,735,632	37,705
Landfill Closure and Postclosure Costs	0	0	(71,323)	(71,323)	0
Changes in Assets and Liabilities:					
(Increase) Decrease in Accounts Receivable	24,535	(58,383)	(44,572)	(78,420)	0
(Increase) Decrease in Materials and Supplies Inventory	(24,394)	17,801	0	(6,593)	394
Decrease in Interfund Receivable	0	0	0	0	6,498
Increase (Decrease) in Accounts Payable	29,261	52,063	(81,027)	297	67,354
Decrease in Contracts Payable	0	(9,696)	0	(9,696)	0
Decrease in Retainage Payable	0	(1,009)	0	(1,009)	0
Increase (Decrease) in Accrued Wages Payable	2,518	2,774	2,678	7,970	(2,067)
Increase (Decrease) in Intergovernmental Payable	(5,513)	(2,364)	1,027	(6,850)	(2,095)
Increase in Matured Compensated Absences Payable	0	0	384	384	0
Increase in Refundable Deposits Payable	2,250	2,250	2,250	6,750	0
Increase (Decrease) in Interfund Payable	449	(387)	(478)	(416)	(85)
Increase (Decrease) in Compensated Absences Payable	10,498	224	1,659	12,381	(8,310)
Net Cash Provided by Operating Activities	<u>\$1,202,971</u>	<u>\$1,818,966</u>	<u>\$47,476</u>	<u>\$3,069,413</u>	<u>\$97,259</u>

Noncash Capital Financing Activities

During 2010, governmental activities assets donated non-depreciable and depreciable assets to the Internal Service Funds in the amounts of \$30,000 and \$11,030, respectively. Also, there was a donation of assets from one Internal Service Fund to another in the amount of \$1,720.

See accompanying notes to the basic financial statements

City of Fairborn, Ohio
Statement of Fiduciary Assets and Liabilities
Agency Fund
December 31, 2010

Assets:	
Cash and Cash Equivalents in Segregated Accounts	<u><u>\$291,256</u></u>
Liabilities:	
Undistributed Monies	<u><u>\$291,256</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, 2010

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 participates in the Miami Valley Regional Planning Commission, the Regional Emergency Response Team, the Greene County Agencies for Combined Enforcement, the Community Improvement Corporation of Fairborn, and the Greene County Regional Planning and Coordination Commission 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, 2010

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 more 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, 2010

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund Financial Statements

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

Fund Accounting

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

Governmental Funds

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

General Fund – The General Fund accounts for and reports all financial resources not accounted for in another fund. The General Fund balance is available to the City for any purpose provided it is expended or transferred according to the general laws of Ohio and the Charter of the City.

Fire and EMS Fund – The Fire and EMS Fund accounts for a City-wide property tax levy that is expended for the cost of operating the fire and EMS departments as well as charges for services, related intergovernmental revenue, and transfers from the General Fund.

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

County Motor Vehicle Tax Fund – The County Motor Vehicle Tax Fund accounts for a portion of municipal income taxes designated for street projects and also for permissive license taxes received from Greene County for street projects approved by the County Engineer.

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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, 2010

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, 2010

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Accounting

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

Revenues – Exchange and Non-Exchange Transactions

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

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

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

Deferred Revenue

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

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property taxes and revenue in lieu of taxes for which there is an enforceable legal claim as of December 31, 2010, but were levied to finance 2011 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 the collection and distribution of court fines and forfeitures which are presented on the financial statements as "Cash and Cash Equivalents in Segregated Accounts."

During 2010, the City invested in federal agency securities and the State Treasury Asset Reserve of Ohio (STAROhio). Investments are reported at fair value which is based on quoted market prices.

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, 2010.

The City Council has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the General Fund during 2010 amounted to \$47,572, which includes \$42,497 assigned from other funds.

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.

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Assets Held for Resale

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

Interfund Receivables/Payables

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

Materials and Supplies Inventory

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

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

Restricted Assets

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

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.

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

The City's infrastructure system consists of streets, curbs, gutters, sidewalks, street lights, bridges, a 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, and capital leases are recognized as liabilities on the governmental fund financial statements when due.

Compensated Absences

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

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

The entire compensated absences liability is reported on the government-wide financial statements. On governmental fund financial statements, compensated absences are reported as liabilities and expenditures to the extent payments come due each period upon the occurrence of employee resignations or retirements. These amounts are recorded in the account "Matured Compensated Absences Payable" in the funds from which the employees are paid. In the proprietary funds, the entire amount of compensated absences is reported as a fund liability.

Bond Discounts, Premiums/Issuance Costs

On the government-wide financial statements (and in the enterprise funds), bond premiums and discounts are deferred and amortized over the term of the bonds using the straight-line (bonds outstanding) method, which approximates the effective interest method. Bond premiums/discounts are presented as additions/reductions to the face amount of bonds payable. Issuance costs are amortized on a straight-line basis over the term of the bonds and are reported as deferred charges.

On the governmental fund financial statements, issuance costs and bond premiums and discounts are recognized in the period when the debt is issued. Note premiums are presented as an addition to the face of the notes payable.

As permitted by State statute, the City paid bond issuance costs from the bond proceeds and therefore does not consider that portion of the debt to be capital-related debt. That portion of the debt was offset against the unamortized bond issuance costs which were included in the determination of unrestricted net assets. Reporting both within the same element of net assets prevents one classification from being overstated while another is understated by the same amount.

Loss on Advance Refunding

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

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Net Assets

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

Fund Balance Reserves

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

Interfund Transactions/Internal Activity

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

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

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

Operating Revenues and Expenses

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

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Estimates

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

Contributions of Capital

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

Budgetary Process

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

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

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

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

NOTE 3 – CHANGE IN ACCOUNTING PRINCIPLES AND CORRECTION OF AN ERROR/RESTATEMENT OF NET ASSETS

Change in Accounting Principles

For 2010, the City has implemented Governmental Accounting Standards Board (GASB) Statement No. 51, “Accounting and Financial Reporting for Intangible Assets”. GASB Statement No. 51 establishes accounting and financial reporting requirements for intangible assets to reduce inconsistencies thereby enhancing the comparability of accounting and financial reporting of such assets among state and local governments. The implementation of this statement did not result in any change to the City’s financial statements.

Correction of an Error

During 2010, errors in the prior year calculation of capital assets were discovered. The restatement for the capital assets had the following effect on net assets at December 31, 2009, as previously reported.

	Water Fund	Sewer Fund
Net Assets at December 31, 2009	\$5,927,769	\$13,145,926
Nondepreciable Capital Assets	(81,396)	(406,629)
Restated Net Assets at December 31, 2009	\$5,846,373	\$12,739,297

	Business-Type Activities
Net Assets at December 31, 2009	\$19,805,204
Nondepreciable Capital Assets	(488,025)
Restated Net Assets at December 31, 2009	\$19,317,179

NOTE 4 – BUDGETARY BASIS OF ACCOUNTING

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

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

NOTE 4 – BUDGETARY BASIS OF ACCOUNTING (continued)

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

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

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

	Net Change in Fund Balance			
	General	Fire and EMS	Police	County Motor Vehicle Tax
GAAP Basis	(\$265,159)	(\$14,704)	(\$59,263)	\$1,167,138
Revenue Accruals	275,431	7,749	31,634	(12,900)
Expenditure Accruals	42,881	(42,351)	(18,776)	590,917
Encumbrances	(299,338)	(123,024)	(87,533)	(1,593,691)
Change in Fair Value of Investments - 2010	7,583	0	0	0
Change in Fair Value of Investments - 2009	115,657	0	0	0
Agency Fund Allocation - 2010	(77,203)	0	0	0
Agency Fund Allocation - 2009	89,011	0	0	0
Advances (net)	(2,000)	0	0	0
Budget Basis	<u>(\$113,137)</u>	<u>(\$172,330)</u>	<u>(\$133,938)</u>	<u>\$151,464</u>

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.

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

NOTE 5 – DEPOSITS AND INVESTMENTS (continued)

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:

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

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

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

NOTE 5 – DEPOSITS AND INVESTMENTS (continued)

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.

Investments

As of December 31, 2010, the City had the following investments:

	<u>Fair Value</u>	<u>Maturity Less Than 1 Year</u>	<u>Maturity 2-5 Years</u>	<u>S&P and Moody's Rating s</u>	<u>Percent of Total Investments</u>
Federal Home Loan Bank Bonds	\$4,991,020	\$0	\$4,991,020	Aaa	82.62%
Federal Farm Credit Bank Notes	501,825	501,825	0	Aaa	8.31%
STAROhio	548,088	548,088	0	Aaam	N/A
	<u>\$6,040,933</u>	<u>\$1,049,913</u>	<u>\$4,991,020</u>		

Interest Rate Risk

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

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

NOTE 5 – DEPOSITS AND INVESTMENTS (continued)

Credit Risk

Ohio law requires that STAROhio maintain the highest rating provided by at least one nationally recognized standard rating service. 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 accepting funds which are able to be converted into cash within 24 hours of notification to the issuer or the issuer's fiscal agent.

NOTE 6 – PROPERTY TAXES

Property taxes include amounts levied against all real, public utility and tangible personal property (used in business) located in the City. Property tax revenue received during 2010 for real and public utilities property taxes represents collections of 2009 taxes. Property tax payments received during 2010 for tangible personal property (other than public utility property) are for 2010 taxes.

2010 real property taxes are levied after October 1, 2010, on the assessed value as of January 1, 2010, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2010 real property taxes are collected in and intended to finance 2011.

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. 2010 public utility property taxes became a lien December 31, 2009, are levied after October 1, 2010, and are collected in 2011 with real property taxes.

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

NOTE 6 – PROPERTY TAXES (continued)

Tangible personal property tax revenue received during 2010 (other than public utility property) represents the collection of 2010 taxes levied against local and inter-exchange telephone companies. Tangible personal property tax on business inventory, manufacturing machinery and equipment, furniture and fixtures is no longer levied and collected. Tangible personal property taxes received from telephone companies in calendar year 2010 were levied after October 1, 2009, on the value as of December 31, 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 payment is due April 30, with the remainder payable by September 20.

The full tax rate for all City operations for the year ended December 31, 2010, was \$9.45 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2010 property tax receipts were based are as follows:

<u>Category</u>	<u>Assessed Value</u>
Real Estate	\$546,193,740
Public Utility Personal	11,198,650
General Business Personal	9,299,640
Totals	<u><u>\$566,692,030</u></u>

The County Treasurer collects property taxes on behalf of all taxing districts within the County, including the City of Fairborn. The County Auditor periodically remits to the City its portion of the taxes. Property taxes receivable represents real, public utility taxes, and outstanding delinquencies which are measurable as of December 31, 2010, and for which there is an enforceable legal claim. In the governmental funds, the entire receivable has been offset by deferred revenue since the current taxes were not levied to finance 2010 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.

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

NOTE 7 – MUNICIPAL INCOME TAX (continued)

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 2010, the proceeds of the City's one 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 allocated to their respective special revenue funds.

NOTE 8 – RECEIVABLES

Receivables at December 31, 2010, consisted of property taxes, other local taxes, municipal income taxes, revenue in lieu of taxes, interfund, accounts, special assessments, accrued interest and intergovernmental receivables arising from grants, entitlements and shared revenues. All receivables are considered fully collectible and will be received within one year with the exception of property taxes, income taxes, revenue in lieu of taxes, and special assessments.

Property, income, and revenue in lieu of taxes, although ultimately collectible, include some portion of delinquents that will not be collected within one year. Special assessments expected to be collected in more than one year in the General Bond Retirement Fund amount to \$1,411,399, and in the Sewer Fund the amount is \$120,000. The City has \$84,259 of delinquent special assessments at December 31, 2010.

A summary of the principal items of intergovernmental receivables follows:

<u>Governmental Activities:</u>	<u>Amount</u>
Local Government	\$726,891
Estate Tax	25,317
Homestead Exemption and Rollbacks	136,737
Tangible Personal Property Tax Reimbursement	33,785
Gasoline Tax	497,463
Motor Vehicle Tax	94,823
Jail Diversion Grant	31,347
CDBG Grant	116,046
VOCA Grant	2,002
Justice Assistance Grant	6,383
Neighborhood Stabilization	1,050
Drug Abuse Resistance Education Grant	15,636
Clean Ohio Revitalization	254,858
City of Beavercreek	15,377
Greene County	22,258
Total Governmental Funds	<u><u>\$1,979,973</u></u>

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

NOTE 8 – RECEIVABLES (continued)

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 30 years. The City accrues a receivable for the amount measurable at December 31, 2010 with a corresponding credit to deferred revenue.

NOTE 9 – CAPITAL ASSETS

Changes in general capital assets for the year ended December 31, 2010, were as follows:

	<u>Balance At</u> <u>12/31/2009</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance At</u> <u>12/31/2010</u>
<u>Governmental Activities:</u>				
Capital Assets, Not Being Depreciated:				
Land	\$13,768,084	\$186,810	\$0	\$13,954,894
Construction in Progress	239,363	72,509	(113,221)	198,651
Total Capital Assets, Not Being Depreciated	<u>14,007,447</u>	<u>259,319</u>	<u>(113,221)</u>	<u>14,153,545</u>
Depreciable Capital Assets:				
Buildings	19,370,938	0	(11,229)	19,359,709
Improvements Other Than Buildings	1,926,484	204,187	(17,033)	2,113,638
Machinery and Equipment	4,059,804	290,846	(170,851)	4,179,799
Vehicles	5,547,273	363,957	(574,067)	5,337,163
Infrastructure	68,025,418	1,932,840	(618,263)	69,339,995
Total Depreciable Capital Assets	<u>98,929,917</u>	<u>2,791,830</u>	<u>(1,391,443)</u>	<u>100,330,304</u>
Less Accumulated Depreciation:				
Buildings	(4,867,288)	(468,084)	8,608	(5,326,764)
Improvements Other Than Buildings	(1,245,696)	(59,838)	14,633	(1,290,901)
Machinery and Equipment	(2,344,473)	(333,470)	157,954	(2,519,989)
Vehicles	(2,956,184)	(377,904)	522,166	(2,811,922)
Infrastructure	(32,594,366)	(2,152,576)	349,961	(34,396,981)
Total Accumulated Depreciation	<u>(44,008,007)</u>	<u>(3,391,872)</u>	<u>1,053,322</u>	<u>(46,346,557)</u>
Depreciable Capital Assets, Net	<u>54,921,910</u>	<u>(600,042)</u>	<u>(338,121)</u>	<u>53,983,747</u>
Governmental Activities Capital Assets, Net	<u>\$68,929,357</u>	<u>(\$340,723)</u>	<u>(\$451,342)</u>	<u>\$68,137,292</u>

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

NOTE 9 – CAPITAL ASSETS (continued)

For the year ended December 31, 2010, the City transferred non-depreciable and depreciable assets from governmental activities to Internal Service Funds in the amounts of \$30,000 and \$11,030, respectively. The City also had transfers between Internal Service Funds for depreciable assets in the amount of \$1,720. Additions to capital assets being depreciated include \$399,670 in assets donated by developers for the year ended December 31, 2010. Deductions of capital assets being depreciated include \$41,030 transferred from governmental activities to Internal Service activities.

Depreciation expense was charged to governmental programs as follows:

General Government	\$2,475,572
Public Safety	710,860
Leisure Time Activities	116,530
Community Development	20,490
Transportation and Street Repair	67,916
Public Health and Welfare	504
Total Depreciation Expense	<u><u>\$3,391,872</u></u>

Capital assets activities of the business-type activities for the year ended December 31, 2010, was as follows:

	Balance At 12/31/2009	Additions	Deletions	Balance At 12/31/2010
<u>Business-type Activities:</u>				
Capital Assets, Not Being Depreciated:				
Land	\$165,741	\$0	\$0	\$165,741
Construction in Progress	7,256,323	317,798	(7,277,821)	296,300
Total Capital Assets, Not Being Depreciated	7,422,064	317,798	(7,277,821)	462,041
Depreciable Capital Assets				
Buildings	18,793,187	7,302,614	(90,559)	26,005,242
Improvements Other Than Buildings	1,982,854	7,366	(2,422)	1,987,798
Machinery and Equipment	5,445,046	98,368	(216,599)	5,326,815
Vehicles	1,118,608	298,468	(67,647)	1,349,429
Infrastructure	21,833,009	0	0	21,833,009
Total Depreciable Capital Assets	\$49,172,704	\$7,706,816	(\$377,227)	\$56,502,293

(continued)

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

NOTE 9 – CAPITAL ASSETS (continued)

	Restated Balance At 12/31/2009	Additions	Deletions	Balance At 12/31/2010
Less Accumulated Depreciation:				
Buildings	(\$7,727,002)	(\$523,054)	\$90,559	(\$8,159,497)
Improvements Other Than Buildings	(1,054,564)	(187,742)	2,422	(1,239,884)
Machinery and Equipment	(4,703,837)	(306,799)	209,249	(4,801,387)
Vehicles	(630,096)	(86,593)	67,647	(649,042)
Infrastructure	(14,727,817)	(631,444)	0	(15,359,261)
Total Accumulated Depreciation	<u>(28,843,316)</u>	<u>(1,735,632)</u>	<u>369,877</u>	<u>(30,209,071)</u>
Depreciable Capital Assets, Net	<u>20,329,388</u>	<u>5,971,184</u>	<u>(7,350)</u>	<u>26,293,222</u>
Business-type Activities Capital Assets, Net	<u>\$27,751,452</u>	<u>\$6,288,982</u>	<u>(\$7,285,171)</u>	<u>\$26,755,263</u>

For the year ended December 31, 2010, the City's Water Enterprise Fund transferred fully depreciated assets in the amount of \$26,549 to the Equipment Internal Service Fund.

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, but less than, 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.

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

NOTE 10 - DEFINED BENEFIT PENSION PLANS (continued)

Funding Policy – The Ohio Revised Code provides statutory authority for member and employer contributions and currently limits the employer contribution to a rate not to exceed 14 percent of covered payroll for state and local employer units. Member contribution rates, as set forth in the Ohio Revised Code, are not to exceed 10.0 percent of covered payroll. For the year ended December 31, 2010, members in state and local classifications contributed 10.0 percent of covered payroll. Members in the state and local divisions may participate in all three plans. For 2010, member and employer contribution rates were consistent across all three plans.

The City's 2010 contribution rate was 14.0 percent. The portion of employer contributions used to fund pension benefits is net of post-employment health care benefits. The portion of employer contribution allocated to health care for members in the Traditional Plan was 5.5 percent from January 1 through February 28, 2010, and 5.0 percent from March 1 through December 31, 2010. The portion of employer contributions allocated to health care for members in the Combined Plan was 4.73 percent from January 1 through February 28, 2010, and 4.23 percent from March 1 through December 31, 2010. Employer contribution rates are actuarially determined.

The City's required contributions for pension obligations to the Traditional Pension and Combined Plans for the years ended December 31, 2010, 2009, and 2008 were \$758,605, \$664,699, and \$439,780, respectively. For 2010, 86.89 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2009 and 2008. Contributions to the Member-Directed Plan for 2010 were \$25,652 made by the City and \$18,323 made by plan members.

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 – The Ohio Revised Code requires plan members to contribute 10.0 percent of their annual covered salary, while employers are required to contribute 19.5 percent for police officers and 24.0 percent for firefighters.

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

NOTE 10 - DEFINED BENEFIT PENSION PLANS (continued)

The OP&F Pension Fund is authorized by the Ohio Revised Code to allocate a portion of the employer contributions to retiree health care benefits. The portion of employer contributions used to fund pension benefits was 12.75 percent of covered payroll for police officers and 17.25 percent of covered payroll for firefighters. The City's contributions to OP&F for police and firefighters were \$428,028 and \$683,983 for the year ended December 31, 2010, \$396,273 and \$671,572 for the year ended December 31, 2009, and \$402,902 and \$701,121 for the year ended December 31, 2008, respectively. For 2010, 69.34 percent for police and 71.46 percent for firefighters has been contributed with the balance for both police and firefighters being reported as an intergovernmental payable. The full amount has been contributed for 2009 and 2008.

NOTE 11 – POST EMPLOYMENT BENEFITS

Ohio Public Employees Retirement System

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

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

In order to qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The Ohio Revised Code permits, but does not mandate, 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.

Funding Policy – The post-employment health care plan was established under, and is administered in accordance with, Internal Revenue Code 401(h). The Ohio Revised Code provides the statutory authority requiring public employers to fund post-retirement health care through contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of post-retirement health care.

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

NOTE 11 – POST EMPLOYMENT BENEFITS (continued)

Employer contribution rates are expressed as a percentage of the covered payroll of active employees. In 2010, state and local employers contributed at a rate of 14.0 percent of covered payroll. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14.0 percent of covered payroll for state and local employer units.

Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of post-employment health care benefits. The portion of employer contributions allocated to health care for members in the Traditional Plan was 5.5 percent from January 1 through February 28, 2010, and 5.0 percent from March 1 through December 31, 2010. The portion of employer contributions allocated to health care for members in the Combined Plan was 4.73 percent from January 1 through February 28, 2010, and 4.23 percent from March 1 through December 31, 2010.

The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits provided, by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. Active members do not make contributions to the post-employment health care plan.

The City's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2010, 2009, and 2008 were \$421,447, \$430,100, and \$439,780, respectively. For 2010, 86.89 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2009 and 2008.

The Health Care Preservation Plan (HCPP) adopted by the OPERS Retirement Board on September 9, 2004, was effective January 1, 2007. Member and employer contribution rates increased on January 1 of each year from 2006 to 2008.

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 and long-term care to retirees, qualifying benefit recipients and their eligible dependents.

OP&F provides access to post-retirement health care coverage for any person who receives or is eligible to receive a monthly service, disability, or survivor benefit check or is a spouse or eligible dependent child of such person. The health care coverage provided by OP&F meets the definition of an Other Post-Employment Benefit (OPEB) as described in GASB Statement No. 45.

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

NOTE 11 – POST EMPLOYMENT BENEFITS (continued)

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

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

Funding Policy – The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F defined benefit pension plan. Participating employers are required by Ohio Revised Code 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. Active members do not make contributions to the OPEB Plan.

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For the year ended December 31, 2010, the employer contribution allocated to the health care plan was 6.75 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

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

The City's contributions to OP&F which were allocated to fund post-employment health care benefits for police and firefighters were \$226,603 and \$267,645 for the year ended December 31, 2010, \$209,791 and \$262,789 for the year ended December 31, 2009, and \$213,301 and \$274,352 for the year ended December 31, 2008, respectively. For 2010, 69.34 percent has been contributed for police and 71.46 percent has been contributed for firefighters with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2009 and 2008.

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

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 of accrual. Most City employees earn sick leave at a rate of 1.25 days per month of work completed. Firefighters earn sick leave at a rate of 1.76 days per month of work completed. Upon retirement, eligible employees will be compensated for their accumulated sick leave at a maximum rate of one-third of the balance provided they meet minimum accumulated sick leave hours ranging from 480 to 720 hours and do not exceed varying maximums ranging from 1,200 to 1,800 hours. The monetary compensation is calculated at the hourly rate of compensation of the employee at the time of retirement.

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

Medical, Dental and Life Insurance Benefits

The City provides medical, dental and life insurance benefits for all employees regularly scheduled to work 30 hours or more per week. On an annual basis, the City reviews health insurance options and determines the level of coverage offered, insurance carrier and plan. Currently, all employees can select either a single or family United Healthcare (UHC) health savings account (HSA). The City provides a portion of the HSA annual deductible amount on behalf of the employee; currently \$1,500 for single plans and \$3,000 for family plans.

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 \$14,000 and \$26,000, respectively.

The City also provides, through the Ohio AFSCME Care Plan, dental insurance for AFSCME, FOP and 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, 2010

NOTE 13 – SHORT-TERM OBLIGATIONS

Changes in short-term obligations during 2010 were as follows:

Types/Issues	Balance at 12/31/2009	Increases	Decreases	Balance at 12/31/2010
<u>Governmental Activities</u>				
2.50% - Commerce Boulevard Extension Tax Increment Financing Bond Anticipation Note Premium	\$1,600,000 11,820	\$1,544,000 11,429	\$1,600,000 11,820	\$1,544,000 11,429
2.25% - Police Dispatch Bond Anticipation Note	135,000	135,000	135,000	135,000
2.25% - Roadway Improvement Tax Increment Financing Bond Anticipation Note	161,000	105,000	161,000	105,000
3.76% - Roadway Improvement Tax Increment Financing Bond Anticipation Note Premium	196,762 891	196,762 972	196,762 891	196,762 972
2.00% - Calamityville Bond Anticipation Note	1,200,000	0	1,200,000	0
2.00% - Special Assessment Various Purpose Bond Anticipation Note	98,000	0	98,000	0
Total Governmental Funds	<u>\$3,403,473</u>	<u>\$1,993,163</u>	<u>\$3,403,473</u>	<u>\$1,993,163</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.

NOTE 14 – LONG-TERM OBLIGATIONS

The summary of changes in long-term obligations of the governmental activities of the City during 2010 follows:

Types/Issues	Balance at 12/31/2009	Increases	Decreases	Balance at 12/31/2010	Due Within One Year
<u>Notes Payable:</u>					
2009 2.00% - Special Assessment Various Purpose Bond Anticipation - \$501,000	\$403,000	\$0	\$403,000	\$0	\$0
2010 1.25% - Special Assessment Various Purpose Bond Anticipation - \$710,000	0	710,000	0	710,000	0
Total Notes Payable	<u>\$403,000</u>	<u>\$710,000</u>	<u>\$403,000</u>	<u>\$710,000</u>	<u>\$0</u>

(continued)

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

NOTE 14 – LONG-TERM OBLIGATIONS (continued)

Types/Issues	Balance at 12/31/2009	Increases	Decreases	Balance at 12/31/2010	Due Within One Year
<u>Voted General Obligation Bonds:</u>					
2001 3.00 to 4.20% Fairborn Library Refunding \$1,370,000	\$285,000	\$0	\$140,000	\$145,000	\$145,000
<u>Unvoted General Obligation Bonds:</u>					
2003 3.50 to 4.75% Municipal Court Building Renovations \$455,000	360,000	0	20,000	340,000	20,000
2004 2.00 to 3.50% Municipal Building \$100,000	50,000	0	10,000	40,000	10,000
2010 2.00 to 2.25% Curb and Sidewalk \$45,000 Premium	0	45,000	0	45,000	5,000
	0	583	0	583	0
Total Unvoted General Obligation Bonds	410,000	45,583	30,000	425,583	35,000
Total General Obligation Bonds	695,000	45,583	170,000	570,583	180,000
<u>Income Tax Revenue Bonds:</u>					
2005 3.00 to 4.50% Income Tax \$10,000,000 Premium	5,690,000	0	1,000,000	4,690,000	1,105,000
	140,729	0	28,146	112,583	0
Total Income Tax Revenue Bonds	5,830,729	0	1,028,146	4,802,583	1,105,000
<u>Special Assessment Bonds with Governmental Commitment:</u>					
1998 5.15% Commerce Center/ Channingway \$1,160,000	670,000	0	60,000	610,000	60,000
2003 4.00 to 8.30% Dayton - Yellow Springs Improvement \$305,000	244,000	0	12,000	232,000	13,000
2006 4.00% Curb and Sidewalk \$505,000	215,000	0	105,000	110,000	110,000
2007 4.00% Curb and Sidewalk \$465,000	295,000	0	95,000	200,000	100,000
2008 3.75% Curb and Sidewalk \$280,000	230,000	0	55,000	175,000	55,000
2009 3.75% Curb and Sidewalk \$135,000	135,000	0	25,000	110,000	25,000
Total Speical Assessment Bonds	1,789,000	0	352,000	1,437,000	363,000
<u>Other Long-Term Obligations:</u>					
Capital Leases Payable	669,186	0	141,922	527,264	132,027
Compensated Absences Payable	1,181,259	844,992	944,469	1,081,782	826,670
Total Other Long-Term Obligations	1,850,445	844,992	1,086,391	1,609,046	958,697
Total Governmental Activities	\$10,568,174	\$1,600,575	\$3,039,537	\$9,129,212	\$2,606,697

The 2009 Special Assessment Various Purpose Bond Anticipation Note was issued on May 20, 2009, in the amount of \$501,000 for the purpose of constructing and repairing curbs, sidewalks and driveway approaches. The note was paid off and reissued in 2010. The 2010 Special Assessment Various Purpose Bond Anticipation Note was issued on April 20, 2010, in the amount of \$710,000 for the purpose of constructing and repairing curbs, sidewalks and driveway approaches. The note was issued at a 1.25 percent interest rate and reached maturity on April 19, 2011. This note was refinanced prior to the issuance of the 2010 statements. The note will be paid through the Special Assessment Construction Capital Projects Fund. The note is backed by the full faith and credit of the City and is a general obligation of the City.

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

NOTE 14 – LONG-TERM OBLIGATIONS (continued)

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 10 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, 2010, \$145,000 of the original defeased Fairborn Library bonds were unmatured and unpaid.

The \$455,000 Municipal Court Building Renovations general obligation bonds were issued for the purpose of making improvements and renovations to the court building. The bonds were issued for a 13 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 10 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 \$45,000 curb and sidewalk general obligation bonds were issued for the costs of constructing and repairing certain sidewalks, curbs and driveway approaches. The bonds were issued for a five year period, with final maturity in May, 2015, and will be paid through the General Bond Retirement Debt Service Fund with special assessments revenue.

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

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

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

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

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

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

NOTE 14 – LONG-TERM OBLIGATIONS (continued)

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

A summary of the long-term obligations reported for business-type activities during 2010 is as follows:

Types/Issues	Balance at 12/31/2009	Increases	Decreases	Balance at 12/31/2010	Due Within One Year
<u>Notes Payable:</u>					
2009 2.00% - Water Various Purpose					
Bond Anticipation \$3,487,000	\$3,487,000	\$0	\$3,487,000	\$0	\$0
2009 2.00% - Sewer Various Purpose					
Bond Anticipation \$7,148,000	7,148,000	0	7,148,000	0	0
2010 1.25% - Water Various Purpose					
Bond Anticipation \$4,057,000	0	4,057,000	0	4,057,000	0
Total Notes Payable	10,635,000	4,057,000	10,635,000	4,057,000	0
<u>General Obligation Bonds</u>					
2001 3.00 to 4.20% Water Utility					
Improvement Refunding Bonds \$1,980,000	422,500	0	205,000	217,500	217,500
Deferred Loss	(4,478)	0	(2,559)	(1,919)	0
2001 3.00 to 4.20% Sewer Utility					
Improvement Refunding Bonds \$1,980,000	422,500	0	205,000	217,500	217,500
Deferred Loss	(4,478)	0	(2,559)	(1,919)	0
2001 3.50 to 4.20% Water Various Purpose \$927,500	215,000	0	105,000	110,000	110,000
2001 3.50 to 4.20% Sewer Various Purpose \$927,500	215,000	0	105,000	110,000	110,000
2003 5.00% Sewer Various Purpose \$790,000	220,000	0	105,000	115,000	115,000
2004 2.00% Water Various Purpose \$1,218,750	988,650	0	50,700	937,950	52,650
2004 2.00% Sewer Various Purpose \$1,906,250	1,546,350	0	79,300	1,467,050	82,350
2010 2.00 to 4.50% Sewer Various Purpose \$7,460,000	0	7,460,000	0	7,460,000	5,000
Discount	0	(70,241)	0	(70,241)	0
Total General Obligation Bonds	4,021,044	7,389,759	849,882	10,560,921	910,000
<u>Special Assessment Bonds with Governmental Commitment</u>					
2003 5.00% Sewer Various Purpose \$170,000	130,000	0	10,000	120,000	5,000
<u>Loans Payable</u>					
OPWC 0% Water \$334,216	108,458	0	16,686	91,772	16,686
1986 OWDA 8.97% Sewer \$1,138,302	106,079	0	106,079	0	0
1993 OWDA 8.97% Sewer \$2,519,598	560,338	0	177,275	383,063	186,614
1994 OWDA 8.97% Sewer \$200,279	41,126	0	13,230	27,896	13,703
1999 OWDA 8.97% Sewer \$1,672,365	544,677	0	128,365	416,312	133,433
Total Loans Payable	\$1,360,678	\$0	\$441,635	\$919,043	\$350,436

(continued)

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

NOTE 14 – LONG-TERM OBLIGATIONS (continued)

Types/Issues	Balance at 12/31/2009	Increases	Decreases	Balance at 12/31/2010	Due Within One Year
<u>Other Long-Term Obligations</u>					
Landfill Closure and Postclosure	\$384,723	\$0	\$71,323	\$313,400	\$39,175
Capital Leases	4,767	281,571	490	285,848	61,104
Compensated Absences	182,815	143,219	130,838	195,196	134,521
Total Other Long-Term Obligations	<u>572,305</u>	<u>424,790</u>	<u>202,651</u>	<u>794,444</u>	<u>234,800</u>
Total Business-type Activities	<u>\$16,719,027</u>	<u>\$11,871,549</u>	<u>\$12,139,168</u>	<u>\$16,451,408</u>	<u>\$1,500,236</u>

The 2010 Water Various Purpose bond anticipation note was issued on April 20, 2010, in the amount of \$4,057,000 for various repairs, updates and construction to the City’s water system. The note was issued at a 1.25 percent interest rate and reached maturity on April 19, 2011. This note was refinanced prior to the issuance of the 2010 statements for \$4,057,000. The note will be paid through the Water Enterprise 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 20 year period, with final maturity in October, 2011. Current operations in the Water Enterprise Fund are expected to provide sufficient cash flows to fund debt service requirements. As of December 31, 2010, \$327,500 of the defeased bonds were unmatured and unpaid.

The \$1,980,000 Sewer Utility Improvement Refunding general obligation bonds were issued for the purpose of advance refunding \$1,807,500 of the Sewer Utility Improvement bonds. The bonds were issued for a 20 year period, with final maturity in October, 2011. Current operations in the Sewer Enterprise Fund are expected to provide sufficient cash flows to fund debt service requirements. As of December 31, 2010, \$327,500 of the defeased bonds were unmatured and unpaid.

The \$927,500 Water Various Purpose general obligation bonds were issued for various repairs, updates and construction to the City’s water system. The bonds were issued for a 10 year period, with final maturity in October, 2011. Current operations in the Water Enterprise 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 10 year period, with final maturity in October, 2011. Current operations in the Sewer Enterprise 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 Enterprise 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, 2010

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 20 year period, with final maturity in December, 2024. Current operations in the Water Enterprise 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 20 year period, with final maturity in December, 2024. Current operations in the Sewer Enterprise Fund are expected to provide sufficient cash flows to fund debt service requirements.

The \$7,460,000 Sewer Various Purpose general obligation bonds were issued for the purpose of paying the costs of designing, constructing, and improving a water reclamation center office building and laboratory with related site improvements and necessary appurtenances. Of these bonds, \$3,130,000 were serial bonds and \$4,330,000 were term bonds. The bonds were issued for a 29 year period with final maturity in May of 2038. The bonds will be retired from the Sewer Enterprise Fund.

The term bonds issued at \$4,330,000 and maturing May 2038 are subject to mandatory sinking fund redemption at a redemption price of 100 percent of the principal amount to be redeemed plus accrued interest to the date of redemption, on May 6, in the years and in the respective principal amounts as follows:

<u>Year</u>	<u>Amount</u>
2019	\$ 275,000
2022	315,000
2024	335,000
2034	1,335,000
2038	<u>2,070,000</u>
Total	<u>\$ 4,330,000</u>

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 Enterprise 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 \$91,772 in water system OPWC loans. Proceeds from these loans provided financing for the construction of water system improvements to the water reclamation center. The loans are payable solely from water customer net revenues and are payable through 2016. Annual principal and interest payments on the loans are expected to require less than two percent of net revenues. The total principal remaining to be paid on the loans is \$91,772. Principal paid for the current year and total customer net revenues were \$16,686 and \$1,163,367, respectively.

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

NOTE 14 – LONG-TERM OBLIGATIONS (continued)

The City has pledged future sewer customer revenues, net of specified operating expenses, to repay \$827,271 in sewer system OWDA loans. Proceeds from these loans provided financing for the construction of sewer system improvements. 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 24 percent of net revenues. The total principal remaining to be paid on the loans is \$827,271. Principal paid for the current year and total customer net revenues were \$424,949 and \$1,815,693, respectively.

Capital lease obligations will be paid from the Water and Sewer Enterprise Funds. Compensated absences will be paid from the Water, Sewer, and Sanitation Enterprise Funds.

The City's overall legal debt margin was \$59,227,837 at December 31, 2010, and the unvoted debt margin was \$30,893,236.

A summary of the City's future long-term debt funding requirements including principal and interest payments as of December 31, 2010 follows:

Governmental Activities							
December 31,	General Obligation Bonds		Income Tax Revenue Bonds		Special Assessment Bonds		
	Principal	Interest	Principal	Interest	Principal	Interest	
2011	\$180,000	\$24,415	\$1,105,000	\$194,050	\$363,000	\$64,792	
2012	40,000	17,040	1,145,000	152,613	264,000	49,588	
2013	40,000	15,615	1,195,000	106,813	175,000	38,493	
2014	110,000	14,125	1,245,000	56,025	121,000	30,867	
2015	105,000	9,275	0	0	92,000	25,192	
2016-2020	95,000	5,113	0	0	362,000	54,913	
2021-2023	0	0	0	0	60,000	5,400	
Total	<u>\$570,000</u>	<u>\$85,583</u>	<u>\$4,690,000</u>	<u>\$509,501</u>	<u>\$1,437,000</u>	<u>\$269,245</u>	

Business type Activities							
December 31,	General Obligation Bonds		Special Assessment Bonds		OPWC Loan	OWDA Loans	
	Principal	Interest	Principal	Interest	Principal	Principal	Interest
2011	\$910,000	\$441,895	\$5,000	\$5,240	\$16,686	\$333,750	\$33,379
2012	140,000	406,304	5,000	5,075	16,686	349,342	17,787
2013	145,000	401,818	10,000	5,075	16,686	144,179	4,242
2014	195,000	396,958	10,000	4,870	16,686	0	0
2015	275,000	390,757	10,000	4,460	16,686	0	0
2016-2020	1,540,000	1,800,381	50,000	13,920	8,342	0	0
2021-2025	1,810,000	1,446,474	30,000	2,820	0	0	0
2026-2030	1,805,000	1,082,106	0	0	0	0	0
2031-2035	2,230,000	660,759	0	0	0	0	0
2036-2038	1,585,000	144,675	0	0	0	0	0
Total	<u>\$10,635,000</u>	<u>\$7,172,127</u>	<u>\$120,000</u>	<u>\$41,460</u>	<u>\$91,772</u>	<u>\$827,271</u>	<u>\$55,408</u>

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

NOTE 14 – LONG-TERM OBLIGATIONS (continued)

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, 2010, one series of Industrial Revenue Bonds was outstanding with an aggregate principal amount payable of \$567,500. The original issue amount totaled \$2,500,000.

NOTE 15 – LANDFILL CLOSURE AND POSTCLOSURE CARE COST

State and federal laws and regulations require the City to perform certain maintenance and monitoring functions at the landfill site for 30 years after closure. The City's landfill placed its final cover in 1989. The \$313,400 reported as a landfill postclosure care liability in the Sanitation Enterprise Fund at December 31, 2010, 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, postclosure 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

During 2010, the City entered into lease agreements for a sewer jet truck. The original amount of the jet truck lease was for \$281,571. In prior years, the City entered into lease agreements for a truck, municipal court space at Skyway Plaza, communication equipment and energy conservation improvements. The original amount of the energy conservation lease was for \$1,045,900 with \$237,487 being considered a capital lease and \$808,414 being considered an operating lease. As part of the agreement for 2008 energy conservation improvements, Citicapital Municipal Finance, as lessor, deposited \$1,045,900 into a separate bank account in the City's name.

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

NOTE 16 – CAPITAL LEASES - LESSEE DISCLOSURE (continued)

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 \$287,040 in the business-type activities which equaled the present value of the future minimum lease payments at the time of acquisition. Principal payments in 2010 totaled \$141,922 in governmental activities and \$490 in business-type activities.

The assets acquired through capital leases are as follows:

	<u>Asset Value</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value December 31, 2010</u>
Asset:			
Governmental Activities			
Buildings	\$944,870	(\$136,481)	\$808,389
Machinery and Equipment	291,908	(67,239)	224,669
Total Governmental Funds	<u>\$1,236,778</u>	<u>(\$203,720)</u>	<u>\$1,033,058</u>
Business-type Activities			
Machinery and Equipment	\$5,469	(\$1,185)	\$4,284
Vehicles	281,571	(16,425)	265,146
Total Governmental Funds	<u>\$287,040</u>	<u>(\$17,610)</u>	<u>\$269,430</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, 2010.

<u>December 31,</u>	<u>Governmental Activities Total Payments</u>	<u>Business- type Activities Total Payments</u>
2011	\$152,294	\$61,251
2012	146,647	61,251
2013	146,647	61,251
2014	41,094	61,251
2015	27,805	61,251
2016-2019	72,416	1,636
Total	<u>586,903</u>	<u>307,891</u>
Less: Amount Representing Interest	<u>(59,639)</u>	<u>(22,043)</u>
Present Value of Minimum Lease Payments	<u>\$527,264</u>	<u>\$285,848</u>

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

NOTE 17 – OPERATING LEASE – LESSEE DISCLOSURE

In prior years, the City entered into a lease purchase agreement with Citicapital Municipal Finance to finance energy conservation improvements made to various buildings and infrastructure throughout the City. The original amount of the lease was for \$1,045,900 with \$237,487 being considered a capital lease and \$808,414 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. The City can exercise the option to purchase the lease any time after the call date. Operating lease payments made during 2010 were \$96,745.

The future minimum lease payments are as follows:

<u>December 31,</u>	<u>Payment Total</u>
2011	\$96,741
2012	96,741
2013	96,741
2014	96,741
2015	96,741
2016-2018	241,854
Total	<u><u>\$725,559</u></u>

NOTE 18 – INTERFUND ACTIVITY

Interfund balances at December 31, 2010, 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.

<u>Interfund Payable</u>	<u>Interfund Receivable</u>		
	<u>General Fund</u>	<u>Equipment Fund</u>	<u>Total</u>
General Fund	\$0	\$2,066	\$2,066
Fire and EMS Fund	0	3,810	3,810
Police Fund	0	9,507	9,507
Nonmajor			
Governmental Funds	100,750	7,260	108,010
Water Fund	0	3,110	3,110
Sewer Fund	0	873	873
Sanitation Fund	0	182	182
Total	<u><u>\$100,750</u></u>	<u><u>\$26,808</u></u>	<u><u>\$127,558</u></u>

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

NOTE 18 – INTERFUND ASSETS/LIABILITIES (continued)

Interfund transfers for the year ended December 31, 2010, consisted of the following:

Transfers From	Transfers To				Total
	General Fund	Fire and EMS Fund	Police Fund	Nonmajor Governmental Funds	
General Fund	\$0	\$3,459,619	\$5,762,905	\$787,200	\$10,009,724
Nonmajor Governmental Funds	203,700	0	0	13,300	217,000
Total	\$203,700	\$3,459,619	\$5,762,905	\$800,500	\$10,226,724

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 Nonmajor Governmental Funds to Nonmajor Governmental Funds was to move money into a capital reserve fund.

NOTE 19 – RISK MANAGEMENT

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

The City insures against injuries to employees through the Ohio Bureau of Workers' 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. American Risk Pooling Consultants, Inc. (ARPCO), a division of York Insurance Services Group, Inc. (York), functions as the administrator of PEP and provides underwriting, claims, loss control, risk management, and reinsurance services for PEP. PEP is a member of the American Public Entity Excess Pool (APEEP), which is administered by ARPCO. 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.

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 claims exceeding \$350,000, and provides up to \$2,650,000 per claim.

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

NOTE 19 – RISK MANAGEMENT (continued)

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 from the 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.

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, 2010 and 2009:

<u>Casualty and Property Coverage</u>	<u>2010</u>	<u>2009</u>
Assets	\$34,952,010	\$36,374,898
Liabilities	<u>14,320,812</u>	<u>15,256,862</u>
Net Assets - Unrestricted	<u>\$20,631,198</u>	<u>\$21,118,036</u>

At December 31, 2010 and 2009, respectively, casualty coverage liabilities noted above include approximately \$12.4 million and \$13.7 million of estimated incurred claims payable. The casualty coverage assets and net assets above also include approximately \$12.4 million and \$13.7 million of unpaid claims to be billed to approximately 454 member governments in the future, as of December 31, 2010 and 2009, 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 \$393,627. This payable includes the subsequent year's contribution due if the City terminates participation, as described in the last paragraph below.

City of Fairborn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

NOTE 19 – RISK MANAGEMENT (continued)

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

<u>Contributions to PEP</u>	<u>Amount</u>
2008	\$164,516
2009	204,765
2010	393,627

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 currently a party to legal proceedings seeking damages or injunctive relief generally incidental to its operations and pending projects as of December 31, 2010. 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.

Federal and State Grants

For the period January 1, 2010, to December 31, 2010, 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, 2010

NOTE 21 – CONSTRUCTION COMMITMENTS

As of December 31, 2010, the City had the following commitments with respect to capital projects:

<u>Project</u>	<u>Remaining Construction Commitment</u>
Rehab of 23 Richwood Ct.	\$40,565
485 Kirkwood Drive Construction	152,836
1265 S. Maple Ave. Construction	149,122
2010 Street Program	1,189,723
2009 ADA Curb Ramp Program	7,352
2010 Curb and Sidewalk Program	22,731
Calamityville	3,225,864
Construction Document Prep for Government Center	6,764
Water Treatment Plant Construction/Inspection/Bidding Services	82,234
Dayton-Yellow Springs Phase II Design	8,203
Sprangler Road Improvements Design Engineering Services	20,335
Maple Avenue Overpass	181,507

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, and Dayton. The Commission prepares plans, including studies, maps, recommendations, and reports concerning the physical, environmental, social, economic, and governmental characteristics, functions, and services of the region. These reports show recommendations for systems of transportation, highways, parks and recreational facilities, water supply, sewage disposal, garbage disposal, civic centers, and other public improvements and land uses which affect the development of the region.

The degree of control exercised by any participating government is limited to its representation on the Board. Members of the Board are as follows: the officers of the Commission (elected by member representatives), the immediate past Chair of the Commission, the Commission member representing the City of Dayton, the Commission member representing each of the respective member counties, the representatives selected by each county caucus, a nongovernmental member, and two at-large representatives. Payments to the Commission are made from the General Fund. The City contributed \$14,744 for the operation of the Commission during 2010. 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, 2010

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 \$4,678 for the operation of the RERT for 2010. Financial information can be obtained from the fiscal agent by writing to the RERT, c/o The City of Beavercreek, Bill Kucera, Finance Director, at 1368 Research Park Drive, Beavercreek, Ohio 45432.

Greene County Agencies for Combined Enforcement (ACE Task Force)

The Greene County Agencies for Combined Enforcement (ACE Task Force) is a jointly governed organization comprised of the Greene County Sheriff's Office; the Beavercreek, Fairborn, Xenia, Yellow Springs and Sugarcreek Township Police Departments; and Greene County Prosecutor's Office. The ACE Task Force is a multi-jurisdictional, multi-disciplinary partnership to share information and resources in order to target the flow of illegal drugs and organized criminal activity into Ohio communities, ensuring the safety and security of Ohio's citizens. Payments to the Task Force are made from the General Fund. The City contributed \$10,500 during 2010. 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 \$2,547 from General Fund to the CIC during 2010. 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, 2010

NOTE 22 – JOINTLY GOVERNED ORGANIZATIONS (continued)

Greene County Regional Planning and Coordination Commission (GCRPCC)

The Greene County Regional Planning and Coordination Commission (GCRPCC) is a jointly governed organization between Green County area municipalities, townships and villages. There are two governing bodies; the Planning Commission which consists of one elected official of the following jurisdictions: Fairborn, 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 \$6,067 during 2010. 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, 2010

NOTE 24 – ACCOUNTABILITY

The Fire and EMS, Police, Tax Increment Financing, and Victims Assistance ARRA Justice Assistance Grant Funds had fund balance deficits at December 31, 2010 of \$293,865, \$346,070, \$1,862,592, and \$218, respectively.

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

NOTE 25 – SUBSEQUENT EVENTS

In April of 2011, the City issued a note in the amount of \$5,577,000 for water various purposes. This included a reissue of \$4,057,000 of 2010 water various purpose notes and a new issue of \$1,520,000 for water treatment plant improvements. There was also a \$240,000 issue for the purpose of curb, sidewalk, gutter, and driveway approaches.

In April of 2011, the City issued long-term general obligation bonds of \$320,000 for the purpose of curb, sidewalk, gutter and driveway approaches.

In June of 2011, the City authorized the issuance of notes. The notes authorized included the following: a note to construct various public infrastructure improvements in connection with the construction of a commercial retail, office warehouse, and industrial building located within the City not to exceed \$1,707,000, a note to construct and improve various public infrastructure improvement in extension of Commerce Center Boulevard not to exceed \$70,000, and a note to purchase and upgrade a police dispatch system not to exceed \$110,000.

COMBINING FINANCIAL STATEMENTS
AND
INDIVIDUAL FUND SCHEDULES

City of Fairborn, Ohio
Nonmajor Fund Descriptions

Special Revenue Funds

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

Nonmajor Special Revenue Funds

Street Maintenance and Repair Fund

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

State Highway Fund

To account for gasoline taxes and motor vehicle license fees used for routine maintenance of State highways within the City.

Cemetery Fund

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

Community Development Fund

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

Neighborhood Stabilization Program Fund

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

Neighborhood Stabilization Program Fund II

To account for federal grant money received through the State of Ohio through the American Recovery and Reinvestment Act to improve the housing stock and living environment in eligible communities to primarily benefit low, moderate, and middle income households.

Victim Witness Fund

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

Victims Assistance ARRA Justice Assistance Grant Fund

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

Street Lighting Fund

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

(continued)

City of Fairborn, Ohio
Nonmajor Fund Descriptions
(continued)

Law Enforcement Trust Fund

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

Drug Law Enforcement Fund

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

City Motor Vehicle License Tax Fund

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

Indigent Drivers Alcohol Treatment Fund

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

Alcohol Enforcement and Education Fund

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

Federal Forfeitures Fund

To account for proceeds from federal forfeitures received by the Fairborn Police Department. The revenue is used for law enforcement purposes only, excluding salaries.

Municipal Probation Services Fund

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

Traffic Intervention Fund

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

Court Legal Research/Computerization Fund

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

Court Clerk Computerization Fund

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

Indigent Driver's Interlock and Alcohol Monitoring Fund

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

(continued)

City of Fairborn, Ohio
Nonmajor Fund Descriptions
(continued)

Clean Ohio Revitalization Fund

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

Byrne Justice Assistance Grant Fund

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

Uninsured Loss Fund

To account for expenditures to repair damage to City property.

Federal Emergency Management Agency Fund

To account for federal grant money used to aid in cost reimbursements for wind storm damage.

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

Municipal Court Improvement Fund

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

Court Special Projects Fund

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

General Capital Improvement Fund

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

Parks and Recreation Improvements Fund

To account for hotel/motel taxes and grants received for improvements in the City park system.

Source Water Protection Grant Fund

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

Maple Avenue ARRA Fund

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

(continued)

City of Fairborn, Ohio
Nonmajor Fund Descriptions
(continued)

Dayton-Yellow Springs Road ARRA Fund

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

ARRA Byrne Justice Assistance Grant Fund

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

Public Safety Equipment/Facility Fund

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

Building and Land Fund

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

Special Assessment Construction Fund

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



City of Fairborn, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2010

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:			
Equity in Pooled Cash and Cash Equivalents	\$3,216,446	\$2,109,576	\$5,326,022
Receivables:			
Property Taxes	143,540	0	143,540
Other Local Taxes	0	22,979	22,979
Municipal Income Taxes	0	676,068	676,068
Accounts	0	15,318	15,318
Intergovernmental	982,671	0	982,671
Assets Held for Resale	1,284,429	0	1,284,429
Materials and Supplies Inventory	82,023	0	82,023
<i>Total Assets</i>	<u>\$5,709,109</u>	<u>\$2,823,941</u>	<u>\$8,533,050</u>
Liabilities and Fund Balances:			
Liabilities:			
Accounts Payable	\$172,322	\$16,375	\$188,697
Contracts Payable	674,970	25,110	700,080
Retainage Payable	6,461	0	6,461
Interfund Payable	108,010	0	108,010
Accrued Wages Payable	57,523	1,616	59,139
Matured Compensated Absences Payable	24,046	0	24,046
Intergovernmental Payable	38,102	476	38,578
Deferred Revenue	564,049	546,480	1,110,529
Accrued Interest Payable	0	1,887	1,887
Notes Payable	0	135,000	135,000
<i>Total Liabilities</i>	<u>1,645,483</u>	<u>726,944</u>	<u>2,372,427</u>
Fund Balances:			
Reserved for Encumbrances	981,755	123,097	1,104,852
Reserved for Assets Held for Resale	1,284,429	0	1,284,429
Unreserved, Undesignated, Reported in:			
Special Revenue Funds	1,797,442	0	1,797,442
Capital Projects Funds	0	1,973,900	1,973,900
<i>Total Fund Balances</i>	<u>4,063,626</u>	<u>2,096,997</u>	<u>6,160,623</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$5,709,109</u>	<u>\$2,823,941</u>	<u>\$8,533,050</u>

City of Fairborn, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2010

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:			
Property Taxes	\$139,027	\$0	\$139,027
Other Local Taxes	0	57,874	57,874
Municipal Income Taxes	0	1,901,285	1,901,285
Fines, Licenses and Permits	465,870	146,923	612,793
Charges for Services	31,559	76,237	107,796
Investment Earnings	22,189	29,652	51,841
Intergovernmental	2,586,343	511,222	3,097,565
Other	93,355	82,355	175,710
<i>Total Revenues</i>	<u>3,338,343</u>	<u>2,805,548</u>	<u>6,143,891</u>
Expenditures:			
Current:			
General Government	660,542	919,025	1,579,567
Public Safety	760,542	2,092	762,634
Leisure Time Activities	0	195,397	195,397
Community Development	382,625	0	382,625
Transportation and Street Repair	1,165,345	5,199	1,170,544
Public Health and Welfare	90,865	0	90,865
Capital Outlay	1,133,283	496,965	1,630,248
Debt Service:			
Principal Retirement	0	1,533,120	1,533,120
Interest and Fiscal Charges	0	275,543	275,543
Issuance Costs	0	852	852
<i>Total Expenditures</i>	<u>4,193,202</u>	<u>3,428,193</u>	<u>7,621,395</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(854,859)</u>	<u>(622,645)</u>	<u>(1,477,504)</u>
Other Financing Sources (Uses):			
Bonds Issued	0	37,643	37,643
Refunding Notes Issued	0	710,000	710,000
Transfers-In	427,750	372,750	800,500
Transfers-Out	(13,300)	(203,700)	(217,000)
<i>Total Other Financing Sources (Uses)</i>	<u>414,450</u>	<u>916,693</u>	<u>1,331,143</u>
<i>Net Change in Fund Balances</i>	(440,409)	294,048	(146,361)
<i>Fund Balances at Beginning of Year</i>	<u>4,504,035</u>	<u>1,802,949</u>	<u>6,306,984</u>
<i>Fund Balances at End of Year</i>	<u><u>\$4,063,626</u></u>	<u><u>\$2,096,997</u></u>	<u><u>\$6,160,623</u></u>



City of Fairborn, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
 December 31, 2010

	Street Maintenance and Repair	State Highway	Cemetery	Community Development
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$1,106,419	\$173,213	\$7,776	\$35,480
Receivables:				
Property Taxes	0	0	0	0
Intergovernmental	547,861	44,425	0	69,605
Assets Held for Resale	0	0	0	15,315
Materials and Supplies Inventory	82,023	0	0	0
<i>Total Assets</i>	<u>\$1,736,303</u>	<u>\$217,638</u>	<u>\$7,776</u>	<u>\$120,400</u>
Liabilities and Fund Balances:				
Liabilities:				
Accounts Payable	\$26,607	\$227	\$2,079	\$19,753
Contracts Payable	0	0	0	17,804
Retainage Payable	0	0	0	0
Interfund Payable	6,466	434	212	148
Accrued Wages Payable	41,021	1,378	1,820	4,516
Matured Compensated Absences Payable	23,881	0	0	0
Intergovernmental Payable	23,324	1,734	2,300	3,620
Deferred Revenue	365,785	29,662	0	796
<i>Total Liabilities</i>	<u>487,084</u>	<u>33,435</u>	<u>6,411</u>	<u>46,637</u>
Fund Balances:				
Reserved for Encumbrances	237,114	5,500	4,170	13,945
Reserved for Assets Held for Resale	0	0	0	15,315
Unreserved, Undesignated (Deficit)	1,012,105	178,703	(2,805)	44,503
<i>Total Fund Balances (Deficit)</i>	<u>1,249,219</u>	<u>184,203</u>	<u>1,365</u>	<u>73,763</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$1,736,303</u>	<u>\$217,638</u>	<u>\$7,776</u>	<u>\$120,400</u>

Neighborhood Stabilization	Neighborhood Stabilization II	Victim Witness	Victims Assistance ARRA Justice Assistance Grant	Street Lighting	Law Enforcement Trust	Drug Law Enforcement
\$8,852	\$3,950	\$6,068	\$617	\$35,749	\$47,622	\$14,153
0	0	0	0	143,540	0	0
46,441	1,050	2,002	6,383	10,046	0	0
265,481	700	0	0	0	0	0
0	0	0	0	0	0	0
<u>\$320,774</u>	<u>\$5,700</u>	<u>\$8,070</u>	<u>\$7,000</u>	<u>\$189,335</u>	<u>\$47,622</u>	<u>\$14,153</u>
\$0	\$600	\$146	\$0	\$29,583	\$1,934	\$0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
88,750	5,000	0	7,000	0	0	0
361	0	3,583	0	0	0	0
0	0	165	0	0	0	0
203	0	4,004	218	0	0	0
0	0	0	0	153,586	0	0
<u>89,314</u>	<u>5,600</u>	<u>7,898</u>	<u>7,218</u>	<u>183,169</u>	<u>1,934</u>	<u>0</u>
333,812	41,350	620	0	6,886	4,134	7,000
265,481	700	0	0	0	0	0
<u>(367,833)</u>	<u>(41,950)</u>	<u>(448)</u>	<u>(218)</u>	<u>(720)</u>	<u>41,554</u>	<u>7,153</u>
<u>231,460</u>	<u>100</u>	<u>172</u>	<u>(218)</u>	<u>6,166</u>	<u>45,688</u>	<u>14,153</u>
<u>\$320,774</u>	<u>\$5,700</u>	<u>\$8,070</u>	<u>\$7,000</u>	<u>\$189,335</u>	<u>\$47,622</u>	<u>\$14,153</u>

(continued)

City of Fairborn, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2010
(Continued)

	City Motor Vehicle License Tax	Indigent Drivers Alcohol Treatment	Alcohol Enforcement and Education	Federal Forfeitures
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$467,685	\$381,143	\$12,138	\$243,677
Receivables:				
Property Taxes	0	0	0	0
Intergovernmental	0	0	0	0
Assets Held for Resale	0	0	0	0
Materials and Supplies Inventory	0	0	0	0
<i>Total Assets</i>	<u>\$467,685</u>	<u>\$381,143</u>	<u>\$12,138</u>	<u>\$243,677</u>
Liabilities and Fund Balances:				
Liabilities:				
Accounts Payable	\$0	\$15,161	\$0	\$0
Contracts Payable	458,665	0	0	0
Retainage Payable	0	0	0	0
Interfund Payable	0	0	0	0
Accrued Wages Payable	0	0	0	0
Matured Compensated Absences Payable	0	0	0	0
Intergovernmental Payable	0	0	0	0
Deferred Revenue	0	0	0	0
<i>Total Liabilities</i>	<u>458,665</u>	<u>15,161</u>	<u>0</u>	<u>0</u>
Fund Balances:				
Reserved for Encumbrances	9,020	76	3,736	2,479
Reserved for Assets Held for Resale	0	0	0	0
Unreserved, Undesignated (Deficit)	0	365,906	8,402	241,198
<i>Total Fund Balances (Deficit)</i>	<u>9,020</u>	<u>365,982</u>	<u>12,138</u>	<u>243,677</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$467,685</u>	<u>\$381,143</u>	<u>\$12,138</u>	<u>\$243,677</u>

<u>Municipal Probation Services</u>	<u>Traffic Intervention</u>	<u>Court Legal Research/ Computerization</u>	<u>Court Clerk Computerization</u>	<u>Indigent Driver's Interlock and Alcohol Monitoring</u>	<u>Clean Ohio Revitalization</u>
\$192,904	\$15,522	\$108,762	\$186,826	\$44,569	\$0
0	0	0	0	0	0
0	0	0	0	0	240,638
0	0	0	0	0	1,002,933
0	0	0	0	0	0
<u>\$192,904</u>	<u>\$15,522</u>	<u>\$108,762</u>	<u>\$186,826</u>	<u>\$44,569</u>	<u>\$1,243,571</u>
\$977	\$0	\$0	\$12,581	\$0	\$52,408
0	0	0	0	0	198,501
0	0	0	0	0	6,461
0	0	0	0	0	0
3,427	390	0	1,027	0	0
0	0	0	0	0	0
2,001	169	0	529	0	0
0	0	0	0	0	0
<u>6,405</u>	<u>559</u>	<u>0</u>	<u>14,137</u>	<u>0</u>	<u>257,370</u>
2,012	0	14,000	8,744	0	260,000
0	0	0	0	0	1,002,933
<u>184,487</u>	<u>14,963</u>	<u>94,762</u>	<u>163,945</u>	<u>44,569</u>	<u>(276,732)</u>
<u>186,499</u>	<u>14,963</u>	<u>108,762</u>	<u>172,689</u>	<u>44,569</u>	<u>986,201</u>
<u>\$192,904</u>	<u>\$15,522</u>	<u>\$108,762</u>	<u>\$186,826</u>	<u>\$44,569</u>	<u>\$1,243,571</u>

(continued)

City of Fairborn, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2010
(Continued)

	Byrne Justice Assistance Grant	Uninsured Loss	Total Nonmajor Special Revenue Funds
Assets:			
Equity in Pooled Cash and Cash Equivalents	\$0	\$123,321	\$3,216,446
Receivables:			
Property Taxes	0	0	143,540
Intergovernmental	14,220		982,671
Assets Held for Resale	0	0	1,284,429
Materials and Supplies Inventory	0	0	82,023
<i>Total Assets</i>	<u>\$14,220</u>	<u>\$123,321</u>	<u>\$5,709,109</u>
Liabilities and Fund Balances:			
Liabilities:			
Accounts Payable	\$0	\$10,266	\$172,322
Contracts Payable	0	0	674,970
Retainage Payable	0	0	6,461
Interfund Payable	0	0	108,010
Accrued Wages Payable	0	0	57,523
Matured Compensated Absences Payable	0	0	24,046
Intergovernmental Payable	0	0	38,102
Deferred Revenue	14,220	0	564,049
<i>Total Liabilities</i>	<u>14,220</u>	<u>10,266</u>	<u>1,645,483</u>
Fund Balances:			
Reserved for Encumbrances	0	27,157	981,755
Reserved for Assets Held for Resale	0	0	1,284,429
Unreserved, Undesignated (Deficit)	0	85,898	1,797,442
<i>Total Fund Balances (Deficit)</i>	<u>0</u>	<u>113,055</u>	<u>4,063,626</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$14,220</u>	<u>\$123,321</u>	<u>\$5,709,109</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, 2010

	Street Maintenance and Repair	State Highway	Cemetery	Community Development	Neighborhood Stabilization
Revenues:					
Property Taxes	\$0	\$0	\$0	\$0	\$0
Fines, Licenses and Permits	0	0	0	0	0
Charges for Services	0	0	31,559	0	0
Investment Earnings	16,376	2,664	0	0	0
Intergovernmental	1,123,279	91,077	0	324,941	242,311
Other	14,342	147	376	2,768	1,000
<i>Total Revenues</i>	<u>1,153,997</u>	<u>93,888</u>	<u>31,935</u>	<u>327,709</u>	<u>243,311</u>
Expenditures:					
Current:					
General Government	0	0	0	0	0
Public Safety	0	0	0	0	0
Community Development	0	0	0	338,315	43,360
Transportation and Street Repair	1,080,771	84,574	0	0	0
Public Health and Welfare	0	0	90,865	0	0
Capital Outlay	35,514	0	16,896	7,834	0
<i>Total Expenditures</i>	<u>1,116,285</u>	<u>84,574</u>	<u>107,761</u>	<u>346,149</u>	<u>43,360</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>37,712</u>	<u>9,314</u>	<u>(75,826)</u>	<u>(18,440)</u>	<u>199,951</u>
Other Financing Sources (Uses):					
Transfers-In	0	0	23,000	0	0
Transfers-Out	(13,300)	0	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>(13,300)</u>	<u>0</u>	<u>23,000</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	24,412	9,314	(52,826)	(18,440)	199,951
<i>Fund Balances (Deficit) at Beginning of Year</i>	<u>1,224,807</u>	<u>174,889</u>	<u>54,191</u>	<u>92,203</u>	<u>31,509</u>
<i>Fund Balances (Deficit) at End of Year</i>	<u>\$1,249,219</u>	<u>\$184,203</u>	<u>\$1,365</u>	<u>\$73,763</u>	<u>\$231,460</u>

Neighborhood Stabilization II	Victim Witness	Victims Assistance ARRA Justice Assistance Grant	Street Lighting	Law Enforcement Trust	Drug Law Enforcement	City Motor Vehicle License Tax
\$0	\$0	\$0	\$139,027	\$0	\$0	\$0
0	12,588	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
1,050	50,480	39,165	44,683	0	0	0
0	350	0	0	28,711	3,587	0
1,050	63,418	39,165	183,710	28,711	3,587	0
0	0	0	0	0	0	0
0	98,855	28,301	355,192	14,776	0	0
950	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	11,305	0	914,366
950	98,855	28,301	355,192	26,081	0	914,366
100	(35,437)	10,864	(171,482)	2,630	3,587	(914,366)
0	29,068	0	171,982	0	0	0
0	0	0	0	0	0	0
0	29,068	0	171,982	0	0	0
100	(6,369)	10,864	500	2,630	3,587	(914,366)
0	6,541	(11,082)	5,666	43,058	10,566	923,386
\$100	\$172	(\$218)	\$6,166	\$45,688	\$14,153	\$9,020

(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, 2010

	Indigent Drivers Alcohol Treatment	Alcohol Enforcement and Education	Federal Forfeitures	Municipal Probation Services	Traffic Intervention
Revenues:					
Property Taxes	\$0	\$0	\$0	\$0	\$0
Fines, Licenses and Permits	44,977	3,123	93,526	87,400	12,020
Charges for Services	0	0	0	0	0
Investment Earnings	0	0	3,149	0	0
Intergovernmental	0	0	2,330	0	0
Other	0	0	0	0	0
<i>Total Revenues</i>	<u>44,977</u>	<u>3,123</u>	<u>99,005</u>	<u>87,400</u>	<u>12,020</u>
Expenditures:					
Current:					
General Government	0	0	0	0	0
Public Safety	78,761	907	14,533	133,597	6,526
Community Development	0	0	0	0	0
Transportation and Street Repair	0	0	0	0	0
Public Health and Welfare	0	0	0	0	0
Capital Outlay	0	0	42,590	0	0
<i>Total Expenditures</i>	<u>78,761</u>	<u>907</u>	<u>57,123</u>	<u>133,597</u>	<u>6,526</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(33,784)</u>	<u>2,216</u>	<u>41,882</u>	<u>(46,197)</u>	<u>5,494</u>
Other Financing Sources (Uses):					
Transfers-In	0	0	0	0	0
Transfers-Out	0	0	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	<u>(33,784)</u>	<u>2,216</u>	<u>41,882</u>	<u>(46,197)</u>	<u>5,494</u>
<i>Fund Balances (Deficit) at Beginning of Year</i>	<u>399,766</u>	<u>9,922</u>	<u>201,795</u>	<u>232,696</u>	<u>9,469</u>
<i>Fund Balances (Deficit) at End of Year</i>	<u><u>\$365,982</u></u>	<u><u>\$12,138</u></u>	<u><u>\$243,677</u></u>	<u><u>\$186,499</u></u>	<u><u>\$14,963</u></u>

Court Legal Research/ Computer- ization	Court Clerk Computer- ization	Indigent Driver's Interlock and Alcohol Monitoring	Clean Ohio Revitalization	Byrne Justice Assistance Grant	Federal Emergency Management Agency	Uninsured Loss	Total Nonmajor Special Revenue Funds
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$139,027
41,578	139,315	31,343	0	0	0	0	465,870
0	0	0	0	0	0	0	31,559
0	0	0	0	0	0	0	22,189
0	0	0	658,585	141	8,301	0	2,586,343
0	0	0	0	0	0	42,074	93,355
41,578	139,315	31,343	658,585	141	8,301	42,074	3,338,343
0	39,164	0	582,235	0	0	39,143	660,542
0	0	0	0	20,793	8,301	0	760,542
0	0	0	0	0	0	0	382,625
0	0	0	0	0	0	0	1,165,345
0	0	0	0	0	0	0	90,865
0	101,078	0	0	0	0	3,700	1,133,283
0	140,242	0	582,235	20,793	8,301	42,843	4,193,202
41,578	(927)	31,343	76,350	(20,652)	0	(769)	(854,859)
39,724	163,976	0	0	0	0	0	427,750
0	0	0	0	0	0	0	(13,300)
39,724	163,976	0	0	0	0	0	414,450
81,302	163,049	31,343	76,350	(20,652)	0	(769)	(440,409)
27,460	9,640	13,226	909,851	20,652	0	113,824	4,504,035
<u>\$108,762</u>	<u>\$172,689</u>	<u>\$44,569</u>	<u>\$986,201</u>	<u>\$0</u>	<u>\$0</u>	<u>\$113,055</u>	<u>\$4,063,626</u>

City of Fairborn, Ohio
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2010

	Court Special Projects	General Capital Improvement	Parks and Recreation Improvements	Source Water Protection Grant
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$108,864	\$480,930	\$200,900	\$26,250
Receivables:				
Other Local Taxes	0	0	22,979	0
Municipal Income Taxes	0	0	0	0
Accounts	0	0	0	0
<i>Total Assets</i>	<u>\$108,864</u>	<u>\$480,930</u>	<u>\$223,879</u>	<u>\$26,250</u>
Liabilities and Fund Balances:				
Liabilities:				
Accounts Payable	\$0	\$4,746	\$0	\$0
Contracts Payable	0	2,142	2,379	0
Accrued Wages Payable	1,616	0	0	0
Intergovernmental Payable	476	0	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>2,092</u>	<u>6,888</u>	<u>2,379</u>	<u>0</u>
Fund Balances:				
Reserved for Encumbrances	3,000	32,554	4,938	0
Unreserved, Undesignated	103,772	441,488	216,562	26,250
<i>Total Fund Balances</i>	<u>106,772</u>	<u>474,042</u>	<u>221,500</u>	<u>26,250</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$108,864</u>	<u>\$480,930</u>	<u>\$223,879</u>	<u>\$26,250</u>

Public Safety Equipment/ Facility	Building and Land	Special Assessment Construction	Total Nonmajor Capital Projects Funds
\$687,156	\$286,142	\$319,334	\$2,109,576
0	0	0	22,979
676,068	0	0	676,068
15,318	0	0	15,318
<u>\$1,378,542</u>	<u>\$286,142</u>	<u>\$319,334</u>	<u>\$2,823,941</u>
\$999	\$3,455	\$7,175	\$16,375
0	0	20,589	25,110
0	0	0	1,616
0	0	0	476
546,480	0	0	546,480
0	1,887	0	1,887
0	135,000	0	135,000
<u>547,479</u>	<u>140,342</u>	<u>27,764</u>	<u>726,944</u>
19,255	24,369	38,981	123,097
<u>811,808</u>	<u>121,431</u>	<u>252,589</u>	<u>1,973,900</u>
<u>831,063</u>	<u>145,800</u>	<u>291,570</u>	<u>2,096,997</u>
<u>\$1,378,542</u>	<u>\$286,142</u>	<u>\$319,334</u>	<u>\$2,823,941</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, 2010

	Municipal Court Improvement	Court Special Projects	General Capital Improvement
Revenues:			
Other Local Taxes	\$0	\$0	\$0
Municipal Income Taxes	0	0	0
Fines, Licenses and Permits	0	146,923	0
Charges for Services	0	0	0
Investment Earnings	0	0	6,070
Intergovernmental	0	0	16,772
Other	0	0	5,375
<i>Total Revenues</i>	<u>0</u>	<u>146,923</u>	<u>28,217</u>
Expenditures:			
Current:			
General Government	0	15,569	122,947
Public Safety	0	2,092	0
Leisure Time Activities	0	0	0
Transportation and Street Repair	0	0	0
Capital Outlay	0	0	5,631
Debt Service:			
Principal Retirement	0	100,120	0
Interest and Fiscal Charges	0	18,761	0
Issuance Costs	0	0	0
<i>Total Expenditures</i>	<u>0</u>	<u>136,542</u>	<u>128,578</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>0</u>	<u>10,381</u>	<u>(100,361)</u>
Other Financing Sources (Uses):			
General Obligation Bonds Issued	0	0	0
Refunding Notes Issued	0	0	0
Transfers-In	0	0	158,880
Transfers-Out	(203,700)	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>(203,700)</u>	<u>0</u>	<u>158,880</u>
<i>Net Change in Fund Balances</i>	(203,700)	10,381	58,519
<i>Fund Balances (Deficit) at Beginning of Year</i>	<u>203,700</u>	<u>96,391</u>	<u>415,523</u>
<i>Fund Balances at End of Year</i>	<u>\$0</u>	<u>\$106,772</u>	<u>\$474,042</u>

Parks and Recreation Improvements	Source Water Protection Grant	Maple Avenue ARRA	Dayton-Yellow Springs Road ARRA	ARRA Byrne Justice Assistance Grant	Public Safety Equipment/Facility	Building and Land
\$57,874	\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	0	0	1,901,285	0
0	0	0	0	0	0	0
17,755	0	0	0	0	10,194	0
4,720	0	0	0	0	18,862	0
45,000	0	239,172	209,858	420	0	0
46,742	0	0	0	0	28,413	1,825
172,091	0	239,172	209,858	420	1,958,754	1,825
0	0	0	0	60,134	135,965	59,221
0	0	0	0	0	0	0
195,397	0	0	0	0	0	0
0	0	2,699	2,500	0	0	0
79,396	0	0	0	85,392	315,868	10,678
0	0	0	0	0	1,000,000	30,000
0	0	0	0	0	229,050	20,768
0	0	0	0	0	0	0
274,793	0	2,699	2,500	145,526	1,680,883	120,667
(102,702)	0	236,473	207,358	(145,106)	277,871	(118,842)
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	213,870
0	0	0	0	0	0	0
0	0	0	0	0	0	213,870
(102,702)	0	236,473	207,358	(145,106)	277,871	95,028
324,202	26,250	(236,473)	(207,358)	145,106	553,192	50,772
\$221,500	\$26,250	\$0	\$0	\$0	\$831,063	\$145,800

(continued)

City of Fairborn, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2010
(Continued)

	Special Assessment Construction	Total Nonmajor Capital Projects Funds
Revenues:		
Other Local Taxes	\$0	\$57,874
Municipal Income Taxes	0	1,901,285
Fines, Licenses and Permits	0	146,923
Charges for Services	48,288	76,237
Investment Earnings	0	29,652
Intergovernmental	0	511,222
Other	0	82,355
<i>Total Revenues</i>	<u>48,288</u>	<u>2,805,548</u>
Expenditures:		
Current:		
General Government	525,189	919,025
Public Safety	0	2,092
Leisure Time Activities	0	195,397
Transportation and Street Repair	0	5,199
Capital Outlay	0	496,965
Debt Service:		
Principal Retirement	403,000	1,533,120
Interest and Fiscal Charges	6,964	275,543
Issuance Costs	852	852
<i>Total Expenditures</i>	<u>936,005</u>	<u>3,428,193</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(887,717)</u>	<u>(622,645)</u>
Other Financing Sources (Uses):		
Special Assessment Bonds Issued	37,643	37,643
Refunding Notes Issued	710,000	710,000
Transfers-In	0	372,750
Transfers-Out	0	(203,700)
<i>Total Other Financing Sources (Uses)</i>	<u>747,643</u>	<u>916,693</u>
<i>Net Change in Fund Balances</i>	(140,074)	294,048
<i>Fund Balances (Deficit) at Beginning of Year</i>	<u>431,644</u>	<u>1,802,949</u>
<i>Fund Balances at End of Year</i>	<u>\$291,570</u>	<u>\$2,096,997</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, 2010

	Equipment	Information Technology	Employee Assistance Program	Total
Assets:				
Current Assets				
Equity in Pooled Cash and Cash Equivalents	\$187,669	\$49,067	\$255,193	\$491,929
Interfund Receivable	26,808	0	0	26,808
Materials and Supplies Inventory	106,363	0	0	106,363
<i>Total Current Assets</i>	<u>320,840</u>	<u>49,067</u>	<u>255,193</u>	<u>625,100</u>
Non-current Assets				
Nondepreciable Capital Assets	0	116,497	0	116,497
Depreciable Capital Assets, Net	199,320	63,512	0	262,832
<i>Total Non-current Assets</i>	<u>199,320</u>	<u>180,009</u>	<u>0</u>	<u>379,329</u>
<i>Total Assets</i>	<u>520,160</u>	<u>229,076</u>	<u>255,193</u>	<u>1,004,429</u>
Liabilities:				
Current Liabilities				
Accounts Payable	44,704	41,031	0	85,735
Accrued Wages Payable	10,783	6,685	0	17,468
Compensated Absences Payable	34,048	1,799	0	35,847
Intergovernmental Payable	15,568	9,162	0	24,730
Capital Lease Payable	5,592	5,532	0	11,124
<i>Total Current Liabilities</i>	<u>110,695</u>	<u>64,209</u>	<u>0</u>	<u>174,904</u>
Long-Term Liabilities				
Capital Lease Payable	41,564	0	0	41,564
Compensated Absences Payable	7,511	0	0	7,511
<i>Total Long-Term Liabilities</i>	<u>49,075</u>	<u>0</u>	<u>0</u>	<u>49,075</u>
<i>Total Liabilities</i>	<u>159,770</u>	<u>64,209</u>	<u>0</u>	<u>223,979</u>
Net Assets:				
Invested in Capital Assets, Net of Related Debt	152,164	174,477	0	326,641
Unrestricted (Deficit)	208,226	(9,610)	255,193	453,809
<i>Total Net Assets</i>	<u>\$360,390</u>	<u>\$164,867</u>	<u>\$255,193</u>	<u>\$780,450</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, 2010

	Equipment	Information Technology	Employee Assistance Program	Total
Operating Revenues:				
Charges for Services	\$1,326,673	\$481,360	\$0	\$1,808,033
Other	746	75	2,498	3,319
<i>Total Operating Revenues</i>	<u>1,327,419</u>	<u>481,435</u>	<u>2,498</u>	<u>1,811,352</u>
Operating Expenses:				
Personal Services	494,884	261,205	63,587	819,676
Contractual Services	41,034	194,275	7,180	242,489
Materials and Supplies	706,957	6,660	0	713,617
Depreciation	23,397	14,308	0	37,705
<i>Total Operating Expenses</i>	<u>1,266,272</u>	<u>476,448</u>	<u>70,767</u>	<u>1,813,487</u>
<i>Operating Income (Loss)</i>	<u>61,147</u>	<u>4,987</u>	<u>(68,269)</u>	<u>(2,135)</u>
Non-Operating Revenues (Expenses):				
Investment Earnings	0	0	4,713	4,713
Interest and Fiscal Charges	(1,818)	(1,555)	0	(3,373)
<i>Total Non-Operating Revenues (Expenses)</i>	<u>(1,818)</u>	<u>(1,555)</u>	<u>4,713</u>	<u>1,340</u>
<i>Income (Loss) Before Capital Contributions and Transfers</i>	59,329	3,432	(63,556)	(795)
Capital Contributions	11,030	31,720	0	42,750
Transfers - Out	(1,720)	0	0	(1,720)
<i>Change in Net Assets</i>	68,639	35,152	(63,556)	40,235
<i>Net Assets at Beginning of Year</i>	<u>291,751</u>	<u>129,715</u>	<u>318,749</u>	<u>740,215</u>
<i>Net Assets at End of Year</i>	<u>\$360,390</u>	<u>\$164,867</u>	<u>\$255,193</u>	<u>\$780,450</u>

City of Fairborn, Ohio
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2010

	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	\$1,333,171	\$481,360	\$0	\$1,814,531
Cash Received From Other Operating Revenues	746	75	2,498	3,319
Cash Payments for Employee Services and Benefits	(498,890)	(269,741)	(63,587)	(832,218)
Cash Payments to Suppliers	(719,871)	(161,322)	(7,180)	(888,373)
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>115,156</u>	<u>50,372</u>	<u>(68,269)</u>	<u>97,259</u>
Cash Flows Used for Capital and Related				
Financing Activities:				
Acquisition of Capital Assets	0	(6,549)	0	(6,549)
Capital Lease Principal Payments	(5,399)	(21,031)	0	(26,430)
Capital Lease Interest Payments	(1,818)	(1,555)	0	(3,373)
<i>Net Cash Used for Capital and Related Financing Activities</i>	<u>(7,217)</u>	<u>(29,135)</u>	<u>0</u>	<u>(36,352)</u>
Cash Flows from Investing Activities:				
Interest	0	0	4,713	4,713
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	107,939	21,237	(63,556)	65,620
<i>Cash and Cash Equivalents at Beginning of Year</i>	<u>79,730</u>	<u>27,830</u>	<u>318,749</u>	<u>426,309</u>
<i>Cash and Cash Equivalents at End of Year</i>	<u>\$187,669</u>	<u>\$49,067</u>	<u>\$255,193</u>	<u>\$491,929</u>
Reconciliation of Operating Income (Loss) to Net				
Cash Provided by (Used for) Operating Activities:				
Operating Income (Loss)	\$61,147	\$4,987	(\$68,269)	(\$2,135)
Adjustments to Reconcile Operating Income (Loss)				
to Net Cash Provided by (Used for) Operating				
Activities:				
Depreciation	23,397	14,308	0	37,705
Changes in Assets and Liabilities:				
Decrease in Materials and Supplies Inventory	394	0	0	394
Decrease in Interfund Receivable	6,498	0	0	6,498
Increase in Accounts Payable	27,630	39,724	0	67,354
Increase (Decrease) in Accrued Wages Payable	(2,401)	334	0	(2,067)
Decrease in Intergovernmental Payable	(1,729)	(366)	0	(2,095)
Increase (Decrease) in Interfund Payable	26	(111)	0	(85)
Increase (Decrease) in Compensated Absences Payable	194	(8,504)	0	(8,310)
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>\$115,156</u>	<u>\$50,372</u>	<u>(\$68,269)</u>	<u>\$97,259</u>

Noncash Capital Financing Activities

During 2010, governmental activities assets donated non-depreciable and depreciable assets to the Internal Service Funds in the amounts of \$30,000 and \$11,030, respectively. Also, there was a donation of assets from Equipment Fund to Information Technology Fund in the amount of \$1,720.

City of Fairborn, Ohio
Nonmajor Fund Description

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, 2010

	Balance at 12/31/2009	Additions	Reductions	Balance at 12/31/2010
<u>Municipal Court</u>				
Assets:				
Cash and Cash Equivalents in Segregated Accounts	\$379,931	\$3,822,259	\$3,910,934	\$291,256
Liabilities:				
Undistributed Monies	\$379,931	\$3,822,259	\$3,910,934	\$291,256

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, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Property Taxes	\$1,497,910	\$1,639,047	\$141,137
Other Local Taxes	605,000	649,823	44,823
Municipal Income Taxes	7,500,000	7,589,113	89,113
Fines, Licenses and Permits	1,151,800	1,249,256	97,456
Charges for Services	2,677,558	2,748,052	70,494
Investment Earnings	165,000	208,541	43,541
Intergovernmental	2,264,010	2,513,401	249,391
Other	145,897	181,467	35,570
<i>Total Revenues</i>	<u>16,007,175</u>	<u>16,778,700</u>	<u>771,525</u>
Expenditures:			
Current:			
General Government			
City Council			
Personal Services	107,370	107,370	0
Contractual Services	73,520	73,615	(95)
Materials and Supplies	5,076	5,076	0
<i>Total City Council</i>	<u>185,966</u>	<u>186,061</u>	<u>(95)</u>
Municipal Court			
Personal Services	1,521,146	1,520,234	912
Contractual Services	296,253	296,251	2
Materials and Supplies	35,768	35,722	46
<i>Total Municipal Court</i>	<u>1,853,167</u>	<u>1,852,207</u>	<u>960</u>
Jail Diversion Grant			
Personal Services	42,703	42,703	0
Contractual Services	30,000	30,000	0
<i>Total Jail Diversion Grant</i>	<u>72,703</u>	<u>72,703</u>	<u>0</u>
City Manager's Office			
Personal Services	277,947	277,822	125
Contractual Services	26,862	26,862	0
Materials and Supplies	4,011	4,011	0
<i>Total City Manager's Office</i>	<u>308,820</u>	<u>308,695</u>	<u>125</u>
Administration and General Accounting			
Personal Services	488,522	484,012	4,510
Contractual Services	126,598	126,584	14
Materials and Supplies	5,224	5,224	0
<i>Total Administration and General Accounting</i>	<u>\$620,344</u>	<u>\$615,820</u>	<u>\$4,524</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, 2010
(Continued)

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Utilities Accounting			
Personal Services	\$162,974	\$162,558	\$416
Contractual Services	89,431	89,431	0
Materials and Supplies	3,006	3,006	0
<i>Total Utilities Accounting</i>	<u>255,411</u>	<u>254,995</u>	<u>416</u>
City Income Tax Accounting			
Personal Services	180,152	180,089	63
Contractual Services	473,735	473,735	0
Materials and Supplies	1,100	1,100	0
<i>Total City Income Tax Accounting</i>	<u>654,987</u>	<u>654,924</u>	<u>63</u>
Legal Department			
Personal Services	162,836	162,682	154
Contractual Services	43,141	43,141	0
Materials and Supplies	3,742	3,742	0
<i>Total Legal Department</i>	<u>209,719</u>	<u>209,565</u>	<u>154</u>
Personnel Department			
Personal Services	71,707	71,674	33
Contractual Services	84,407	84,407	0
Materials and Supplies	5,008	4,908	100
<i>Total Personnel Department</i>	<u>161,122</u>	<u>160,989</u>	<u>133</u>
Engineering and Drafting			
Personal Services	418,411	416,724	1,687
Contractual Services	27,156	27,156	0
Materials and Supplies	12,844	12,844	0
<i>Total Engineering and Drafting</i>	<u>458,411</u>	<u>456,724</u>	<u>1,687</u>
Plant Maintenance			
Personal Services	345,254	344,711	543
Contractual Services	111,924	111,924	0
Materials and Supplies	69,032	69,032	0
<i>Total Plant Maintenance</i>	<u>526,210</u>	<u>525,667</u>	<u>543</u>
Contingency			
Personal Services	120,746	120,746	0
Contractual Services	711,131	688,871	22,260
Materials and Supplies	13,251	13,251	0
<i>Total Contingency</i>	<u>845,128</u>	<u>822,868</u>	<u>22,260</u>
Calamityville			
Contractual Services	27,082	27,079	3
<i>Total General Government</i>	<u>\$6,179,070</u>	<u>\$6,148,297</u>	<u>\$30,773</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, 2010
(Continued)

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Leisure Time Activities			
Parks and Recreation			
Personal Services	\$136,330	\$136,196	\$134
Contractual Services	31,451	31,448	3
Materials and Supplies	28,299	28,297	2
<i>Total Leisure Time Activities</i>	<u>196,080</u>	<u>195,941</u>	<u>139</u>
Community Development			
Community Development Urban Planner			
Personal Services	239,061	238,592	469
Contractual Services	35,330	35,330	0
Materials and Supplies	2,523	2,523	0
<i>Total Community Development Urban Planner</i>	<u>276,914</u>	<u>276,445</u>	<u>469</u>
Building Inspection and Zoning Enforcement			
Personal Services	383,099	381,929	1,170
Contractual Services	37,612	37,609	3
Materials and Supplies	10,158	10,158	0
<i>Total Building Inspection and Zoning Enforcement</i>	<u>430,869</u>	<u>429,696</u>	<u>1,173</u>
<i>Total Community Development</i>	<u>707,783</u>	<u>706,141</u>	<u>1,642</u>
Capital Outlay			
Capital Outlay	39,573	37,074	2,499
<i>Total Expenditures</i>	<u>7,122,506</u>	<u>7,087,453</u>	<u>35,053</u>
<i>Excess of Revenues Over Expenditures</i>	<u>8,884,669</u>	<u>9,691,247</u>	<u>806,578</u>
Other Financing Uses:			
Proceeds of Loans	0	3,640	3,640
Advances-In	95,000	94,000	(1,000)
Transfers-In	201,797	203,700	1,903
Advances-Out	(96,000)	(96,000)	0
Transfers-Out	(10,028,683)	(10,009,724)	18,959
<i>Total Other Financing Uses</i>	<u>(9,827,886)</u>	<u>(9,804,384)</u>	<u>23,502</u>
<i>Net Change in Fund Balance</i>	(943,217)	(113,137)	830,080
<i>Fund Balance at Beginning of Year</i>	2,383,780	2,383,780	0
<i>Prior Year Encumbrances Appropriated</i>	293,092	293,092	0
<i>Fund Balance at End of Year</i>	<u>\$1,733,655</u>	<u>\$2,563,735</u>	<u>\$830,080</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, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Property Taxes	\$378,676	\$378,676	\$0
Fines, Licenses and Permits	1,200	1,825	625
Charges for Services	1,927,587	1,934,306	6,719
Intergovernmental	96,632	96,632	0
Other	19,334	19,519	185
<i>Total Revenues</i>	<u>2,423,429</u>	<u>2,430,958</u>	<u>7,529</u>
Expenditures:			
Current:			
Public Safety			
Fire Administrative Services			
Personal Services	411,525	411,338	187
Contractual Services	487,675	487,332	343
Materials and Supplies	22,646	22,644	2
<i>Total Fire Administrative Services</i>	<u>921,846</u>	<u>921,314</u>	<u>532</u>
Fire Life Safety			
Personal Services	130,547	130,428	119
Contractual Services	505	505	0
Materials and Supplies	4,363	4,363	0
<i>Total Fire Life Safety</i>	<u>135,415</u>	<u>135,296</u>	<u>119</u>
Fire Operations			
Personal Services	4,611,632	4,610,582	1,050
Contractual Services	31,246	31,246	0
Materials and Supplies	233,062	232,966	96
<i>Total Fire Operations</i>	<u>4,875,940</u>	<u>4,874,794</u>	<u>1,146</u>
Training			
Personal Services	122,563	122,556	7
Contractual Services	6,480	6,480	0
Materials and Supplies	2,467	2,467	0
<i>Total Training</i>	<u>131,510</u>	<u>131,503</u>	<u>7</u>
<i>Total Expenditures</i>	<u>6,064,711</u>	<u>6,062,907</u>	<u>1,804</u>
<i>Excess of Revenues Under Expenditures</i>	(3,641,282)	(3,631,949)	9,333
Other Financing Sources:			
Transfers-In	3,468,651	3,459,619	(9,032)
<i>Net Change in Fund Balance</i>	(172,631)	(172,330)	301
<i>Fund Balance at Beginning of Year</i>	69,290	69,290	0
<i>Prior Year Encumbrances Appropriated</i>	<u>104,846</u>	<u>104,846</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>\$1,505</u>	<u>\$1,806</u>	<u>\$301</u>

City of Fairborn, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Police Fund
For the Year Ended December 31, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Property Taxes	\$150,778	\$151,147	\$369
Fines, Licenses and Permits	2,245	2,295	50
Charges for Services	27,724	27,724	0
Intergovernmental	145,229	151,708	6,479
Other	10,574	10,574	0
<i>Total Revenues</i>	<u>336,550</u>	<u>343,448</u>	<u>6,898</u>
Expenditures:			
Current:			
Public Safety			
Police Administrative Services			
Personal Services	589,569	589,141	428
Contractual Services	472,472	472,465	7
Materials and Supplies	31,942	31,942	0
<i>Total Police Administrative Services</i>	<u>1,093,983</u>	<u>1,093,548</u>	<u>435</u>
Police Dispatch			
Personal Services	806,050	801,565	4,485
Contractual Services	67,677	67,677	0
<i>Total Police Dispatch</i>	<u>873,727</u>	<u>869,242</u>	<u>4,485</u>
Police Detective Section			
Personal Services	811,592	810,545	1,047
Contractual Services	3,341	3,341	0
Materials and Supplies	21,432	21,432	0
<i>Total Police Detective Section</i>	<u>836,365</u>	<u>835,318</u>	<u>1,047</u>
Police Patrol Section			
Personal Services	3,136,518	3,122,155	14,363
Contractual Services	5,200	5,200	0
Materials and Supplies	120,987	120,987	0
<i>Total Police Patrol Section</i>	<u>3,262,705</u>	<u>3,248,342</u>	<u>14,363</u>
Police Animal Control			
Contractual Services	72,814	72,814	0
D.A.R.E.			
Personal Services	107,089	106,412	677
Contractual Services	35	35	0
<i>Total D.A.R.E.</i>	<u>107,124</u>	<u>106,447</u>	<u>677</u>
<i>Total Public Safety</i>	<u>\$6,246,718</u>	<u>\$6,225,711</u>	<u>\$21,007</u>

(Continued)

City of Fairborn, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Police Fund
For the Year Ended December 31, 2010
(Continued)

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Capital Outlay			
Capital Outlay	\$14,580	\$14,580	\$0
<i>Total Expenditures</i>	<u>6,261,298</u>	<u>6,240,291</u>	<u>21,007</u>
<i>Excess of Revenues Under Expenditures</i>	(5,924,748)	(5,896,843)	27,905
Other Financing Sources:			
Transfers-In	<u>5,770,000</u>	<u>5,762,905</u>	<u>(7,095)</u>
<i>Net Change in Fund Balance</i>	(154,748)	(133,938)	20,810
<i>Fund Balance at Beginning of Year</i>	<u>110,857</u>	<u>110,857</u>	<u>0</u>
<i>Prior Year Encumbrances Appropriated</i>	<u>44,091</u>	<u>44,091</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$200</u></u>	<u><u>\$21,010</u></u>	<u><u>\$20,810</u></u>

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, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Municipal Income Taxes	\$1,874,991	\$1,888,624	\$13,633
Investment Earnings	0	45,312	45,312
Intergovernmental	904,000	323,349	(580,651)
Other	0	13,386	13,386
<i>Total Revenues</i>	<u>2,778,991</u>	<u>2,270,671</u>	<u>(508,320)</u>
Expenditures:			
Current:			
Transportation and Street Repair Maple Ave. Curb Resurfacing Contractual Services	1,200	1,200	0
Dayton Yellow Springs Road Phase II Contractual Services	138,943	138,943	0
Dayton Yellow Springs Resurfacing Contractual Services	1,400	1,400	0
Street Tax Levy Contractual Services	<u>207,547</u>	<u>177,506</u>	<u>30,041</u>
<i>Total Transportation and Street Repair</i>	349,090	319,049	30,041
Capital Outlay Capital Outlay	<u>2,653,564</u>	<u>1,800,158</u>	<u>853,406</u>
<i>Total Expenditures</i>	<u>3,002,654</u>	<u>2,119,207</u>	<u>883,447</u>
<i>Net Change in Fund Balance</i>	(223,663)	151,464	375,127
<i>Fund Balance at Beginning of Year</i>	871,755	871,755	0
<i>Prior Year Encumbrances Appropriated</i>	<u>296,708</u>	<u>296,708</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>\$944,800</u>	<u>\$1,319,927</u>	<u>\$375,127</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, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Property Taxes	\$139,040	\$150,749	\$11,709
Charges for Services	46,825	56,101	9,276
Intergovernmental	18,960	18,767	(193)
Special Assessments	481,000	451,451	(29,549)
<i>Total Revenues</i>	<u>685,825</u>	<u>677,068</u>	<u>(8,757)</u>
Expenditures:			
Current:			
General Government			
Special Assessments			
Contractual Services	38,115	37,435	680
Debt Service			
Principal Retirement	503,049	502,000	1,049
Interest and Fiscal Charges	177,334	176,267	1,067
<i>Total Debt Service</i>	<u>680,383</u>	<u>678,267</u>	<u>2,116</u>
<i>Total Expenditures</i>	<u>718,498</u>	<u>715,702</u>	<u>2,796</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(32,673)</u>	<u>(38,634)</u>	<u>(5,961)</u>
Other Financing Sources:			
Bonds Issued	0	3,717	3,717
Premium on Debt Issued	0	583	583
<i>Total Other Financing Sources</i>	<u>0</u>	<u>4,300</u>	<u>4,300</u>
<i>Net Change in Fund Balance</i>	(32,673)	(34,334)	(1,661)
<i>Fund Balance at Beginning of Year</i>	325,722	325,722	0
<i>Prior Year Encumbrances Appropriated</i>	<u>3,786</u>	<u>3,786</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>\$296,835</u>	<u>\$295,174</u>	<u>(\$1,661)</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, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Revenue in Lieu of Taxes	\$116,798	\$116,798	\$0
Expenditures:			
Current:			
General Government			
Tax Increment Financing			
Contractual Services	13,104	12,316	788
Debt Service			
Principal Retirement	1,957,999	1,957,762	237
Interest and Fiscal Charges	57,022	56,482	540
<i>Total Debt Service</i>	<u>2,015,021</u>	<u>2,014,244</u>	<u>777</u>
<i>Total Expenditures</i>	<u>2,028,125</u>	<u>2,026,560</u>	<u>1,565</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(1,911,327)</u>	<u>(1,909,762)</u>	<u>1,565</u>
Other Financing Sources:			
Notes Issued	1,862,000	1,845,762	(16,238)
Premium on Notes Issued	0	16,535	16,535
<i>Total Other Financing Sources</i>	<u>1,862,000</u>	<u>1,862,297</u>	<u>297</u>
<i>Net Change in Fund Balance</i>	(49,327)	(47,465)	1,862
<i>Fund Balance at Beginning of Year</i>	53,956	53,956	0
<i>Prior Year Encumbrances Appropriated</i>	<u>615</u>	<u>615</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$5,244</u></u>	<u><u>\$7,106</u></u>	<u><u>\$1,862</u></u>

City of Fairborn, Ohio
Schedule of Revenues, Expenses and Changes
In Fund Equity - Budget and Actual (Non-GAAP Basis)
Water Fund
For the Year Ended December 31, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for Services	\$3,739,888	\$3,789,833	\$49,945
Tap-In Fees	30,000	27,700	(2,300)
Investment Earnings	30,000	37,407	7,407
Notes Issued	4,057,000	4,057,000	0
Premium on Notes Issued	19,995	19,995	0
Other	9,500	14,163	4,663
<i>Total Revenues</i>	<u>7,886,383</u>	<u>7,946,098</u>	<u>59,715</u>
Expenses:			
Personal Services	1,111,710	1,077,518	34,192
Contractual Services	1,550,098	1,390,894	159,204
Materials and Supplies	217,076	206,278	10,798
Capital Outlay	2,048,197	424,964	1,623,233
Debt Service:			
Principal Retirement	3,872,729	3,872,729	0
Interest and Fiscal Charges	146,719	146,719	0
<i>Total Expenses</i>	<u>8,946,529</u>	<u>7,119,102</u>	<u>1,827,427</u>
<i>Excess of Revenues Under Expenses</i>	(1,060,146)	826,996	1,887,142
Transfers-Out	(166,480)	0	166,480
<i>Net Change in Fund Equity</i>	(1,226,626)	826,996	2,053,622
<i>Fund Equity at Beginning of Year</i>	2,561,930	2,561,930	0
<i>Prior Year Encumbrances Appropriated</i>	346,466	346,466	0
<i>Fund Equity at End of Year</i>	<u><u>\$1,681,770</u></u>	<u><u>\$3,735,392</u></u>	<u><u>\$2,053,622</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, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for Services	\$5,801,762	\$5,719,108	(\$82,654)
Tap-In Fees	20,000	33,700	13,700
Investment Earnings	36,000	20,409	(15,591)
Intergovernmental	52,895	51,742	(1,153)
Bonds Issued	7,360,000	7,460,000	100,000
Other	6,184	21,185	15,001
<i>Total Revenues</i>	<u>13,276,841</u>	<u>13,306,144</u>	<u>29,303</u>
Expenses:			
Personal Services	1,485,279	1,462,508	22,771
Contractual Services	2,279,178	2,144,320	134,858
Materials and Supplies	296,851	279,959	16,892
Capital Outlay	1,521,897	754,867	767,030
Debt Service:			
Principal Retirement	8,067,249	8,067,249	0
Interest and Fiscal Charges	459,944	459,944	0
Bond Issuance Cost	141,216	141,216	0
Discount on Debt Issued	70,241	70,241	0
<i>Total Expenses</i>	<u>14,321,855</u>	<u>13,380,304</u>	<u>941,551</u>
Transfers-Out	(124,302)	0	124,302
<i>Total Other Financing Sources (Uses)</i>	<u>(124,302)</u>	<u>0</u>	<u>124,302</u>
<i>Net Change in Fund Equity</i>	(1,169,316)	(74,160)	1,095,156
<i>Fund Equity at Beginning of Year</i>	3,099,957	3,099,957	0
<i>Prior Year Encumbrances Appropriated</i>	<u>720,385</u>	<u>720,385</u>	<u>0</u>
<i>Fund Equity at End of Year</i>	<u><u>\$2,651,026</u></u>	<u><u>\$3,746,182</u></u>	<u><u>\$1,095,156</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, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for Services	\$2,973,917	\$2,509,085	(\$464,832)
Expenses:			
Personal Services	116,804	111,119	5,685
Contractual Services	2,784,321	2,643,685	140,636
Materials and Supplies	39,820	20,158	19,662
Capital Outlay	12,985	12,985	0
<i>Total Expenses</i>	<u>2,953,930</u>	<u>2,787,947</u>	<u>165,983</u>
Transfers-In	22,800	22,800	0
Transfers-Out	<u>(22,800)</u>	<u>(22,800)</u>	<u>0</u>
<i>Net Change in Fund Equity</i>	19,987	(278,862)	(298,849)
<i>Fund Equity at Beginning of Year</i>	512,143	512,143	0
<i>Prior Year Encumbrances Appropriated</i>	<u>278,063</u>	<u>278,063</u>	<u>0</u>
<i>Fund Equity at End of Year</i>	<u><u>\$810,193</u></u>	<u><u>\$511,344</u></u>	<u><u>(\$298,849)</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, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Investment Earnings	\$0	\$16,376	\$16,376
Intergovernmental	1,103,155	1,118,287	15,132
Other	1,101	14,342	13,241
<i>Total Revenues</i>	<u>1,104,256</u>	<u>1,149,005</u>	<u>44,749</u>
Expenditures:			
Current:			
Transportation and Street Repair			
General Street Administration			
Personal Services	135,649	111,190	24,459
Contractual Services	144,486	143,357	1,129
Materials and Supplies	5,237	4,744	493
<i>Total General Street Administration</i>	<u>285,372</u>	<u>259,291</u>	<u>26,081</u>
Maintenance and Repairs			
Personal Services	362,008	332,349	29,659
Contractual Services	3,470	3,450	20
Materials and Supplies	354,343	350,155	4,188
<i>Total Maintenance and Repairs</i>	<u>719,821</u>	<u>685,954</u>	<u>33,867</u>
Traffic Signs and Signals			
Personal Services	103,948	101,227	2,721
Contractual Services	65,114	39,867	25,247
Materials and Supplies	44,061	41,336	2,725
<i>Total Traffic Signs and Signals</i>	<u>213,123</u>	<u>182,430</u>	<u>30,693</u>
<i>Total Transportation and Street Repair</i>	<u>1,218,316</u>	<u>1,127,675</u>	<u>90,641</u>
Capital Outlay			
Capital Outlay	240,119	193,279	46,840
<i>Total Expenditures</i>	<u>1,458,435</u>	<u>1,320,954</u>	<u>137,481</u>
<i>Excess of Revenues Under Expenditures</i>	(354,179)	(171,949)	182,230
Other Financing Uses:			
Transfers-Out	(13,300)	(13,300)	0
<i>Net Change in Fund Balance</i>	(367,479)	(185,249)	182,230
<i>Fund Balance at Beginning of Year</i>	899,264	899,264	0
<i>Prior Year Encumbrances Appropriated</i>	<u>128,529</u>	<u>128,529</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>\$660,314</u>	<u>\$842,544</u>	<u>\$182,230</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, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Investment Earnings	\$0	\$2,664	\$2,664
Intergovernmental	89,445	90,672	1,227
Other	0	147	147
<i>Total Revenues</i>	<u>89,445</u>	<u>93,483</u>	<u>4,038</u>
Expenditures:			
Current:			
Transportation and Street Repair			
State Highway Maintenance			
Personal Services	55,783	55,134	649
Contractual Services	6,721	5,422	1,299
Materials and Supplies	28,203	28,094	109
<i>Total Expenditures</i>	<u>90,707</u>	<u>88,650</u>	<u>2,057</u>
<i>Net Change in Fund Balance</i>	(1,262)	4,833	6,095
<i>Fund Balance at Beginning of Year</i>	156,705	156,705	0
<i>Prior Year Encumbrances Appropriated</i>	<u>5,514</u>	<u>5,514</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$160,957</u></u>	<u><u>\$167,052</u></u>	<u><u>\$6,095</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, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for Services	\$29,592	\$31,559	\$1,967
Other	376	376	0
<i>Total Revenues</i>	<u>29,968</u>	<u>31,935</u>	<u>1,967</u>
Expenditures:			
Current:			
Public Health and Welfare			
Cemetery Operations			
Personal Services	71,111	70,913	198
Contractual Services	14,877	14,877	0
Materials and Supplies	10,370	10,370	0
<i>Total Public Health and Welfare</i>	<u>96,358</u>	<u>96,160</u>	<u>198</u>
Capital Outlay			
Capital Outlay	16,900	16,896	4
<i>Total Expenditures</i>	<u>113,258</u>	<u>113,056</u>	<u>202</u>
<i>Excess of Revenues Under Expenditures</i>	(83,290)	(81,121)	2,169
Other Financing Sources:			
Transfers-In	23,642	23,000	(642)
<i>Net Change in Fund Balance</i>	(59,648)	(58,121)	1,527
<i>Fund Balance at Beginning of Year</i>	56,795	56,795	0
<i>Prior Year Encumbrances Appropriated</i>	<u>2,853</u>	<u>2,853</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>\$0</u>	<u>\$1,527</u>	<u>\$1,527</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, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$296,931	\$256,132	(\$40,799)
Other	3,056	2,768	(288)
<i>Total Revenues</i>	<u>299,987</u>	<u>258,900</u>	<u>(41,087)</u>
Expenditures:			
Current:			
Community Development			
Entitlement Administration			
Personal Services	31,816	31,337	479
Contractual Services	7,370	4,802	2,568
Materials and Supplies	2,504	1,531	973
<i>Total Entitlement Administration</i>	<u>41,690</u>	<u>37,670</u>	<u>4,020</u>
Entitlement Housing Rehab			
Personal Services	27,710	26,954	756
Contractual Services	130,961	130,874	87
<i>Total Entitlement Housing Rehab</i>	<u>158,671</u>	<u>157,828</u>	<u>843</u>
Entitlement Emergency Rehab			
Personal Services	11,350	0	11,350
Contractual Services	9,109	9,109	0
<i>Total Entitlement Emergency Rehab</i>	<u>20,459</u>	<u>9,109</u>	<u>11,350</u>
Code Enforcement			
Personal Services	65,597	59,697	5,900
Contractual Services	12,832	10,042	2,790
Materials and Supplies	6,954	4,205	2,749
<i>Total Code Enforcement</i>	<u>85,383</u>	<u>73,944</u>	<u>11,439</u>
Entitlement Fair Housing			
Contractual Services	70,000	6,900	63,100
Tool Lending Closet			
Personal Services	5,836	3,674	2,162
Materials and Supplies	887	0	887
<i>Total Lending Closet</i>	<u>6,723</u>	<u>3,674</u>	<u>3,049</u>
Downtown Streetscape Project			
Personal Services	8,174	3,729	4,445
Contributions to Regional Organization			
Personal Services	2,000	1,098	902
Contractual Services	1,587	0	1,587
<i>Total Downtown FA/ADE Project</i>	<u>\$3,587</u>	<u>\$1,098</u>	<u>\$2,489</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, 2010
(Continued)

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Downtown FA/ADE Project			
Personal Services	\$9,018	\$7,538	\$1,480
Contractual Services	17,380	17,380	0
<i>Total Downtown FA/ADE Project</i>	<u>26,398</u>	<u>24,918</u>	<u>1,480</u>
<i>Total Community Development</i>	<u>421,085</u>	<u>318,870</u>	<u>102,215</u>
Capital Outlay			
Capital Outlay	37,795	37,690	105
<i>Total Expenditures</i>	<u>458,880</u>	<u>356,560</u>	<u>102,320</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(158,893)</u>	<u>(97,660)</u>	<u>61,233</u>
Other Financing Sources (Uses):			
Advances-In	11,000	11,000	0
Advances-Out	(11,000)	(11,000)	0
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(158,893)	(97,660)	61,233
<i>Fund Balance at Beginning of Year</i>	57,207	57,207	0
<i>Prior Year Encumbrances Appropriated</i>	<u>42,463</u>	<u>42,463</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>(\$59,223)</u></u>	<u><u>\$2,010</u></u>	<u><u>\$61,233</u></u>

City of Fairborn, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Neighborhood Stabilization Program Fund
For the Year Ended December 31, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$520,891	\$195,870	(\$325,021)
Other	1,000	1,000	0
<i>Total Revenues</i>	<u>521,891</u>	<u>196,870</u>	<u>(325,021)</u>
Expenditures:			
Current:			
Community and Economic Development			
Neighborhood Stabilization Program			
Personal Services	14,558	14,497	61
Contractual Services	66,576	66,576	0
Materials and Supplies	902	902	0
<i>Total Community Development</i>	<u>82,036</u>	<u>81,975</u>	<u>61</u>
Capital Outlay			
Capital Outlay	512,786	512,786	0
<i>Total Expenditures</i>	<u>594,822</u>	<u>594,761</u>	<u>61</u>
<i>Excess of Revenues Under Expenditures</i>	(72,931)	(397,891)	(324,960)
Other Financing Sources:			
Advances-In	65,000	65,000	0
Advances-Out	(65,000)	(65,000)	0
<i>Net Change in Fund Balance</i>	(72,931)	(397,891)	(324,960)
<i>Fund Balance at Beginning of Year</i>	66,974	66,974	0
<i>Prior Year Encumbrances Appropriated</i>	<u>5,957</u>	<u>5,957</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>\$0</u>	<u>(\$324,960)</u>	<u>(\$324,960)</u>

City of Fairborn, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Neighborhood Stabilization II Fund
For the Year Ended December 31, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$39,000	\$0	(\$39,000)
Expenditures:			
Current:			
Community Development			
Neighborhood Stabilization Program			
Personal Services	121	0	121
Contractual Services	7,000	7,000	0
<i>Total Community Development</i>	7,121	7,000	121
Capital Outlay			
Capital Outlay	36,000	36,000	0
<i>Total Expenditures</i>	43,121	43,000	121
<i>Excess of Revenues Under Expenditures</i>	(4,121)	(43,000)	(38,879)
Other Financing Sources:			
Advances-In	5,000	5,000	0
<i>Net Change in Fund Balance</i>	879	(38,000)	(38,879)
<i>Fund Balance at Beginning of Year</i>	0	0	0
<i>Fund Balance (Deficit) at End of Year</i>	\$879	(\$38,000)	(\$38,879)

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, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Fines, Licenses and Permits	\$12,705	\$12,705	\$0
Intergovernmental	46,472	48,478	2,006
Other	350	350	0
<i>Total Revenues</i>	<u>59,527</u>	<u>61,533</u>	<u>2,006</u>
Expenditures:			
Current:			
Public Safety			
Administration			
Personal Services	96,410	92,110	4,300
Contractual Services	4,215	3,872	343
Materials and Supplies	500	500	0
<i>Total Expenditures</i>	<u>101,125</u>	<u>96,482</u>	<u>4,643</u>
<i>Excess of Revenues Under Expenditures</i>	(41,598)	(34,949)	6,649
Other Financing Sources:			
Transfers-In	31,162	29,068	(2,094)
<i>Net Change in Fund Balance</i>	(10,436)	(5,881)	4,555
<i>Fund Balance at Beginning of Year</i>	7,766	7,766	0
<i>Prior Year Encumbrances Appropriated</i>	<u>2,759</u>	<u>2,759</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>\$89</u>	<u>\$4,644</u>	<u>\$4,555</u>

City of Fairborn, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Victim Assistance ARRA Justice Assistance Grant Fund
For the Year Ended December 31, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$32,782	\$32,782	\$0
Expenditures:			
Current:			
Public Safety			
Administration			
Personal Services	29,976	29,976	0
<i>Excess of Revenues Over Expenditures</i>	2,806	2,806	0
Other Financing Sources:			
Advances-In	15,000	15,000	0
Advances-Out	(18,000)	(18,000)	0
<i>Total Other Financing Sources</i>	(3,000)	(3,000)	0
<i>Net Change in Fund Balance</i>	(194)	(194)	0
<i>Fund Balance at Beginning of Year</i>	802	802	0
<i>Prior Year Encumbrances Appropriated</i>	9	9	0
<i>Fund Balance at End of Year</i>	\$617	\$617	\$0

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, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Property Taxes	\$139,027	\$139,027	\$0
Intergovernmental	44,683	44,683	0
<i>Total Revenues</i>	183,710	183,710	0
Expenditures:			
Current:			
Public Safety			
Street Lighting			
Contractual Services	364,556	364,552	4
<i>Excess of Revenues Under Expenditures</i>	(180,846)	(180,842)	4
Other Financing Sources:			
Transfers-In	171,982	171,982	0
<i>Net Change in Fund Balance</i>	(8,864)	(8,860)	4
<i>Fund Balance at Beginning of Year</i>	4,573	4,573	0
<i>Prior Year Encumbrances Appropriated</i>	4,291	4,291	0
<i>Fund Balance at End of Year</i>	\$0	\$4	\$4

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, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Other	\$119,500	\$28,711	(\$90,789)
Expenditures:			
Current:			
Public Safety			
Safety City			
Contractual Services	8,250	2,648	5,602
Materials and Supplies	16,800	12,660	4,140
<i>Total Safety City</i>	25,050	15,308	9,742
DARE Program			
Contractual Services	3,800	0	3,800
Materials and Supplies	4,600	3,500	1,100
<i>Total DARE Program</i>	8,400	3,500	4,900
Safety City Program			
Personal Services	2,006	0	2,006
Materials and Supplies	1,600	102	1,498
<i>Total Safety City Program</i>	3,606	102	3,504
<i>Total Public Safety</i>	37,056	18,910	18,146
Capital Outlay			
Capital Outlay	28,000	11,305	16,695
<i>Total Expenditures</i>	65,056	30,215	34,841
<i>Net Change in Fund Balance</i>	54,444	(1,504)	(55,948)
<i>Fund Balance at Beginning of Year</i>	41,400	41,400	0
<i>Prior Year Encumbrances Appropriated</i>	1,658	1,658	0
<i>Fund Balance at End of Year</i>	\$97,502	\$41,554	(\$55,948)

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, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Other	\$3,000	\$3,465	\$465
Expenditures:			
Current:			
Public Safety			
Drug Law Enforcement			
Contractual Services	3,000	3,000	0
Materials and Supplies	4,000	4,000	0
<i>Total Expenditures</i>	7,000	7,000	0
<i>Net Change in Fund Balance</i>	(4,000)	(3,535)	465
<i>Fund Balance at Beginning of Year</i>	10,311	10,311	0
<i>Fund Balance at End of Year</i>	\$6,311	\$6,776	\$465

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, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:	\$0	\$0	\$0
Expenditures:			
Capital Outlay			
Capital Outlay	1,253,329	1,253,329	0
<i>Net Change in Fund Balance</i>	(1,253,329)	(1,253,329)	0
<i>Fund Balance at Beginning of Year</i>	883,720	883,720	0
<i>Prior Year Encumbrances Appropriated</i>	369,609	369,609	0
<i>Fund Balance at End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$0</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, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Fines, Licenses and Permits	\$22,275	\$45,364	\$23,089
Expenditures:			
Current:			
Public Safety			
Law Enforcement			
Contractual Services	78,800	63,828	14,972
<i>Net Change in Fund Balance</i>	(56,525)	(18,464)	38,061
<i>Fund Balance at Beginning of Year</i>	397,735	397,735	0
<i>Fund Balance at End of Year</i>	\$341,210	\$379,271	\$38,061

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, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Fines, Licenses and Permits	\$3,510	\$3,125	(\$385)
Expenditures:			
Current:			
Public Safety			
Law Enforcement			
Contractual Services	1,500	1,500	0
Materials and Supplies	1,700	1,643	57
<i>Total Public Safety</i>	3,200	3,143	57
Capital Outlay			
Capital Outlay	1,500	1,500	0
<i>Total Expenditures</i>	4,700	4,643	57
<i>Net Change in Fund Balance</i>	(1,190)	(1,518)	(328)
<i>Fund Balance at Beginning of Year</i>	9,783	9,783	0
<i>Fund Balance at End of Year</i>	\$8,593	\$8,265	(\$328)

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, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Fines, Licenses and Permits	\$100,000	\$93,526	(\$6,474)
Investment Earnings	10,000	3,149	(6,851)
Intergovernmental	1,749	3,223	1,474
<i>Total Revenues</i>	<u>111,749</u>	<u>99,898</u>	<u>(11,851)</u>
Expenditures:			
Current:			
Public Safety			
Law Enforcement			
Contractual Services	5,000	0	5,000
Materials and Supplies	15,400	14,533	867
<i>Total Public Safety</i>	20,400	14,533	5,867
Capital Outlay			
Capital Outlay	216,000	45,069	170,931
<i>Total Expenditures</i>	<u>236,400</u>	<u>59,602</u>	<u>176,798</u>
<i>Net Change in Fund Balance</i>	(124,651)	40,296	164,947
<i>Fund Balance at Beginning of Year</i>	<u>200,902</u>	<u>200,902</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$76,251</u></u>	<u><u>\$241,198</u></u>	<u><u>\$164,947</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, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Fines, Licenses and Permits	\$79,650	\$88,100	\$8,450
Expenditures:			
Current:			
Public Safety			
Law Enforcement			
Personal Services	131,676	129,478	2,198
Contractual Services	4,800	3,298	1,502
Materials and Supplies	2,850	2,804	46
<i>Total Public Safety</i>	139,326	135,580	3,746
Capital Outlay			
Capital Outlay	1,650	0	1,650
<i>Total Expenditures</i>	140,976	135,580	5,396
<i>Net Change in Fund Balance</i>	(61,326)	(47,480)	13,846
<i>Fund Balance at Beginning of Year</i>	223,356	223,356	0
<i>Prior Year Encumbrances Appropriated</i>	8,477	8,477	0
<i>Fund Balance at End of Year</i>	\$170,507	\$184,353	\$13,846

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, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Fines, Licenses and Permits	\$11,400	\$11,782	\$382
Expenditures:			
Public Safety			
Law Enforcement			
Personal Services	7,192	6,176	1,016
<i>Net Change in Fund Balance</i>	4,208	5,606	1,398
<i>Fund Balance at Beginning of Year</i>	9,190	9,190	0
<i>Fund Balance at End of Year</i>	\$13,398	\$14,796	\$1,398

City of Fairborn, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Court Legal Research/Computerization Fund
For the Year Ended December 31, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Fines, Licenses and Permits	\$46,103	\$41,744	(\$4,359)
Expenditures:			
Current:			
General Government			
Municipal Court			
Contractual Services	14,000	14,000	0
<i>Excess of Revenues Over Expenditures</i>	32,103	27,744	(4,359)
Other Financing Sources:			
Transfers-In	39,724	39,724	0
<i>Net Change in Fund Balance</i>	71,827	67,468	(4,359)
<i>Fund Balance at Beginning of Year</i>	24,391	24,391	0
<i>Fund Balance at End of Year</i>	<u>\$96,218</u>	<u>\$91,859</u>	<u>(\$4,359)</u>

City of Fairborn, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Court Clerk Computerization Fund
For the Year Ended December 31, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Fines, Licenses and Permits	\$153,676	\$140,349	(\$13,327)
Expenditures:			
Current:			
General Government			
Municipal Court			
Personal Services	28,121	27,681	440
Contractual Services	27,500	17,082	10,418
Materials and Supplies	1,538	1,038	500
<i>Total General Government</i>	57,159	45,801	11,358
Capital Outlay			
Capital Outlay	110,136	103,078	7,058
<i>Total Expenditures</i>	167,295	148,879	18,416
<i>Excess of Revenues Under Expenditures</i>	(13,619)	(8,530)	5,089
Other Financing Sources:			
Transfers-In	163,976	163,976	0
<i>Net Change in Fund Balance</i>	150,357	155,446	5,089
<i>Fund Balance at Beginning of Year</i>	683	683	0
<i>Prior Year Encumbrances Appropriated</i>	79	79	0
<i>Fund Balance at End of Year</i>	\$151,119	\$156,208	\$5,089

City of Fairborn, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Indigent Driver's Interlock and Alcohol Monitoring Fund
For the Year Ended December 31, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Fines, Licenses and Permits	\$39,000	\$31,716	(\$7,284)
Expenditures:	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	39,000	31,716	(7,284)
<i>Fund Balance at Beginning of Year</i>	<u>11,041</u>	<u>11,041</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$50,041</u></u>	<u><u>\$42,757</u></u>	<u><u>(\$7,284)</u></u>

City of Fairborn, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Clean Ohio Revitalization Fund
For the Year Ended December 31, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$812,561	\$417,947	(\$394,614)
Expenditures:			
Current:			
General Government			
Calamityville			
Contractual Services	812,625	812,625	0
Debt Service			
Principal Retirement	1,200,000	1,200,000	0
Interest and Fiscal Charges	1,615	1,615	0
<i>Total Expenditures</i>	2,014,240	2,014,240	0
<i>Net Change in Fund Balance</i>	(1,201,679)	(1,596,293)	(394,614)
<i>Fund Balance at Beginning of Year</i>	1,200,746	1,200,746	0
<i>Prior Year Encumbrances Appropriated</i>	933	933	0
<i>Fund Balance (Deficit) at End of Year</i>	\$0	(\$394,614)	(\$394,614)

City of Fairborn, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Byrne Justice Assistance Grant Fund
For the Year Ended December 31, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$141	\$141	\$0
Expenditures:			
Current:			
Public Safety			
Byrne Justice Assistance Grant			
Contractual Services	10,326	10,326	0
Materials and Supplies	10,467	10,467	0
<i>Total Expenditures</i>	20,793	20,793	0
<i>Net Change in Fund Balance</i>	(20,652)	(20,652)	0
<i>Fund Balance at Beginning of Year</i>	10,326	10,326	0
<i>Prior Year Encumbrances Appropriated</i>	10,326	10,326	0
<i>Fund Balance at End of Year</i>	\$0	\$0	\$0

City of Fairborn, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Federal Emergency Management Agency Fund
For the Year Ended December 31, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$8,500	\$8,301	(\$199)
Expenditures:			
Current:			
Security of Persons and Property			
Fire Operations			
Personal Services	8,301	8,301	0
<i>Net Change in Fund Balance</i>	199	0	(199)
<i>Fund Balance at Beginning of Year</i>	0	0	0
<i>Fund Balance at End of Year</i>	\$199	\$0	(\$199)

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, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Other	\$60,000	\$44,014	(\$15,986)
Expenditures:			
Current:			
General Government			
Uninsured Loss			
Contractual Services	41,360	41,360	0
Materials and Supplies	20,000	20,000	0
<i>Total General Government</i>	61,360	61,360	0
Capital Outlay			
Capital Outlay	10,000	10,000	0
<i>Total Expenditures</i>	71,360	71,360	0
<i>Net Change in Fund Balance</i>	(11,360)	(27,346)	(15,986)
<i>Fund Balance at Beginning of Year</i>	90,301	90,301	0
<i>Prior Year Encumbrances Appropriated</i>	22,942	22,942	0
<i>Fund Balance at End of Year</i>	\$101,883	\$85,897	(\$15,986)

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, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:	\$0	\$0	\$0
Expenditures:	0	0	0
<i>Excess of Revenues Over Expenditures</i>	0	0	0
Other Financing Uses:			
Transfers-Out	(203,700)	(203,700)	0
<i>Net Change in Fund Balance</i>	(203,700)	(203,700)	0
<i>Fund Balance at Beginning of Year</i>	203,700	203,700	0
<i>Fund Balance at End of Year</i>	\$0	\$0	\$0

City of Fairborn, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Court Special Projects Fund
For the Year Ended December 31, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Fines, Licenses and Permits	\$165,015	\$148,061	(\$16,954)
Expenditures:			
Current:			
General Government			
Skyway Plaza Improvement			
Contractual Services	134,450	134,450	0
Capital Outlay			
Capital Outlay	65,000	3,000	62,000
<i>Total Expenditures</i>	199,450	137,450	62,000
<i>Net Change in Fund Balance</i>	(34,435)	10,611	45,046
<i>Fund Balance at Beginning of Year</i>	85,274	85,274	0
<i>Prior Year Encumbrances Appropriated</i>	87	87	0
<i>Fund Balance at End of Year</i>	\$50,926	\$95,972	\$45,046

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, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Investment Earnings	\$10,000	\$6,070	(\$3,930)
Intergovernmental	93,411	93,411	0
Other	0	5,375	5,375
<i>Total Revenues</i>	<u>103,411</u>	<u>104,856</u>	<u>1,445</u>
Expenditures:			
Current:			
General Government			
General Capital Improvement			
Contractual Services	16,175	1,175	15,000
Materials and Supplies	25,040	20,040	5,000
<i>Total General Government</i>	41,215	21,215	20,000
Capital Outlay			
Capital Outlay	317,722	271,259	46,463
<i>Total Expenditures</i>	<u>358,937</u>	<u>292,474</u>	<u>66,463</u>
<i>Excess of Revenues Under Expenditures</i>	(255,526)	(187,618)	67,908
Other Financing Sources:			
Transfers-In	158,880	158,880	0
<i>Net Change in Fund Balance</i>	(96,646)	(28,738)	67,908
<i>Fund Balance at Beginning of Year</i>	301,718	301,718	0
<i>Prior Year Encumbrances Appropriated</i>	<u>170,652</u>	<u>170,652</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$375,724</u></u>	<u><u>\$443,632</u></u>	<u><u>\$67,908</u></u>

City of Fairborn, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Parks and Recreation Improvements Fund
For the Year Ended December 31, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Other Local Taxes	\$100,000	\$77,546	(\$22,454)
Charges for Services	16,733	17,755	1,022
Investment Earnings	10,000	4,720	(5,280)
Intergovernmental	0	45,000	45,000
Other	51,125	46,742	(4,383)
<i>Total Revenues</i>	<u>177,858</u>	<u>191,763</u>	<u>13,905</u>
Expenditures:			
Current:			
Leisure Time Activities			
Park and Recreation Improvements			
Contractual Services	196,018	186,412	9,606
Materials and Supplies	14,482	14,482	0
<i>Total Leisure Time Activities</i>	<u>210,500</u>	<u>200,894</u>	<u>9,606</u>
Capital Outlay			
Capital Outlay	114,004	108,673	5,331
<i>Total Expenditures</i>	<u>324,504</u>	<u>309,567</u>	<u>14,937</u>
<i>Net Change in Fund Balance</i>	(146,646)	(117,804)	28,842
<i>Fund Balance at Beginning of Year</i>	228,765	228,765	0
<i>Prior Year Encumbrances Appropriated</i>	82,622	82,622	0
<i>Fund Balance at End of Year</i>	<u>\$164,741</u>	<u>\$193,583</u>	<u>\$28,842</u>

City of Fairborn, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Source Water Protection Grant Fund
For the Year Ended December 31, 2010

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

City of Fairborn, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Maple Avenue ARRA Fund
For the Year Ended December 31, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$239,172	\$239,172	\$0
Expenditures:			
Current:			
Transportation			
Maple Ave Culvert Replacement			
Personal Services	2,699	2,699	0
Capital Outlay			
Capital Outlay	236,473	236,473	0
<i>Total Expenditures</i>	<u>239,172</u>	<u>239,172</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	0	0	0
<i>Fund Balance at Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

City of Fairborn, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Dayton-Yellow Springs Road ARRA Fund
For the Year Ended December 31, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$209,858	\$209,858	\$0
Expenditures:			
Current:			
Transportation			
DYS Road Phase II			
Personal Services	2,500	2,500	0
Capital Outlay			
Capital Outlay	207,358	207,358	0
<i>Total Expenditures</i>	<u>209,858</u>	<u>209,858</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	0	0	0
<i>Fund Balance at Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

City of Fairborn, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
ARRA Byrne Justice Assistance Grant Fund
For the Year Ended December 31, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$420	\$420	\$0
Expenditures:			
Current:			
General Government			
Byrne Justice Assistance Grant			
Contractual Services	60,134	60,134	0
Capital Outlay			
Capital Outlay	85,392	85,392	0
<i>Total Expenditures</i>	<u>145,526</u>	<u>145,526</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(145,106)	(145,106)	0
<i>Fund Balance at Beginning of Year</i>	110,681	110,681	0
<i>Prior Year Encumbrances Appropriated</i>	<u>34,425</u>	<u>34,425</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

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, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Municipal Income Taxes	\$1,875,001	\$1,888,624	\$13,623
Charges for Services	40,000	9,288	(30,712)
Investment Earnings	19,000	18,862	(138)
Intergovernmental	200,000	0	(200,000)
Other	6,000	28,413	22,413
<i>Total Revenues</i>	<u>2,140,001</u>	<u>1,945,187</u>	<u>(194,814)</u>
Expenditures:			
Current:			
General Government			
EMS Tax Levy			
Contractual Services	123,646	123,598	48
Materials and Supplies	330,391	37,333	293,058
<i>Total General Government</i>	<u>454,037</u>	<u>160,931</u>	<u>293,106</u>
Capital Outlay			
Capital Outlay	400,922	315,868	85,054
Debt Service			
Principal Retirement	1,000,000	1,000,000	0
Interest and Fiscal Charges	229,050	229,050	0
<i>Total Debt Service</i>	<u>1,229,050</u>	<u>1,229,050</u>	<u>0</u>
<i>Total Expenditures</i>	<u>2,084,009</u>	<u>1,705,849</u>	<u>378,160</u>
<i>Net Change in Fund Balance</i>	55,992	239,338	183,346
<i>Fund Balance at Beginning of Year</i>	407,947	407,947	0
<i>Prior Year Encumbrances Appropriated</i>	19,617	19,617	0
<i>Fund Balance at End of Year</i>	<u>\$483,556</u>	<u>\$666,902</u>	<u>\$183,346</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, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Other	\$0	\$1,825	\$1,825
Expenditures:			
Current:			
General Government			
Building and Land			
Contractual Services	159,987	59,360	100,627
Materials and Supplies	40,000	39,621	379
<i>Total General Government</i>	199,987	98,981	101,006
Capital Outlay			
Capital Outlay	10,678	10,678	0
Debt Service			
Principal Retirement	165,000	165,000	0
Interest and Fiscal Charges	22,438	22,438	0
<i>Total Debt Service</i>	187,438	187,438	0
<i>Total Expenditures</i>	398,103	297,097	101,006
<i>Excess of Revenues Under Expenditures</i>	(398,103)	(295,272)	102,831
Other Financing Sources:			
Notes Issued	0	135,000	135,000
Premium on Notes Issued	0	1,666	1,666
Transfers-In	213,870	213,870	0
<i>Total Other Financing Sources</i>	213,870	350,536	136,666
<i>Net Change in Fund Balance</i>	(184,233)	55,264	239,497
<i>Fund Balance at Beginning of Year</i>	156,081	156,081	0
<i>Prior Year Encumbrances Appropriated</i>	46,972	46,972	0
<i>Fund Balance at End of Year</i>	\$18,820	\$258,317	\$239,497

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, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for Services	\$98,000	\$48,288	(\$49,712)
Expenditures:			
Current:			
General Government			
Special Assessments Construction	21,724	21,286	438
Capital Outlay			
Capital Outlay	710,055	514,715	195,340
Debt Service			
Principal Retirement	501,000	501,000	0
Interest and Fiscal Charges	19,347	19,347	0
Issuance Costs	922	852	70
<i>Total Debt Service</i>	521,269	521,199	70
<i>Total Expenditures</i>	1,253,048	1,057,200	195,848
<i>Excess of Revenues Under Expenditures</i>	(1,155,048)	(1,008,912)	146,136
Other Financing Sources:			
Bonds Issued	346,282	37,643	(308,639)
Notes Issued	713,555	710,000	(3,555)
Premium on Notes Issued	4,353	3,554	(799)
<i>Total Other Financing Sources</i>	1,064,190	751,197	(312,993)
<i>Net Change in Fund Balance</i>	(90,858)	(257,715)	(166,857)
<i>Fund Balance at Beginning of Year</i>	519,944	519,944	0
<i>Prior Year Encumbrances Appropriated</i>	10,949	10,949	0
<i>Fund Balance at End of Year</i>	\$440,035	\$273,178	(\$166,857)

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, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for Services	\$1,292,739	\$1,333,171	\$40,432
Other	500	746	246
<i>Total Revenues</i>	<u>1,293,239</u>	<u>1,333,917</u>	<u>40,678</u>
Expenses:			
Personal Services	499,976	499,092	884
Contractual Services	51,313	51,204	109
Materials and Supplies	742,352	742,144	208
Capital Outlay	3,000	3,000	0
<i>Total Expenses</i>	<u>1,296,641</u>	<u>1,295,440</u>	<u>1,201</u>
<i>Net Change in Fund Equity</i>	(3,402)	38,477	41,879
<i>Fund Equity at Beginning of Year</i>	60,466	60,466	0
<i>Prior Year Encumbrances Appropriated</i>	<u>19,263</u>	<u>19,263</u>	<u>0</u>
<i>Fund Equity at End of Year</i>	<u><u>\$76,327</u></u>	<u><u>\$118,206</u></u>	<u><u>\$41,879</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, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for Services	\$481,308	\$481,360	\$52
Other	75	75	0
<i>Total Revenues</i>	<u>481,383</u>	<u>481,435</u>	<u>52</u>
Expenses:			
Personal Services	271,104	269,768	1,336
Contractual Services	168,236	167,972	264
Materials and Supplies	10,376	10,106	270
Capital Outlay	59,498	59,498	0
<i>Total Expenses</i>	<u>509,214</u>	<u>507,344</u>	<u>1,870</u>
<i>Net Change in Fund Equity</i>	(27,831)	(25,909)	1,922
<i>Fund Equity at Beginning of Year</i>	23,634	23,634	0
<i>Prior Year Encumbrances Appropriated</i>	<u>4,197</u>	<u>4,197</u>	<u>0</u>
<i>Fund Equity at End of Year</i>	<u><u>\$0</u></u>	<u><u>\$1,922</u></u>	<u><u>\$1,922</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, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Investment Earnings	\$15,000	\$4,713	(\$10,287)
Other	0	2,498	2,498
<i>Total Revenues</i>	<u>15,000</u>	<u>7,211</u>	<u>(7,789)</u>
Expenses:			
Personal Services	63,898	63,587	311
Contractual Services	8,675	8,675	0
<i>Total Expenses</i>	<u>72,573</u>	<u>72,262</u>	<u>311</u>
<i>Net Change in Fund Equity</i>	(57,573)	(65,051)	(7,478)
<i>Fund Equity at Beginning of Year</i>	<u>318,749</u>	<u>318,749</u>	<u>0</u>
<i>Fund Equity at End of Year</i>	<u><u>\$261,176</u></u>	<u><u>\$253,698</u></u>	<u><u>(\$7,478)</u></u>



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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	164-173
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	174-182
These schedules contain information to help the reader assess the City’s most significant local revenue sources, property taxes and income taxes.	
Debt Capacity	184-193
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	194-195
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	196-201
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 Nine Years
(accrual basis of accounting)
Schedule 1

	2002	2003	2004	2005
Governmental Activities				
Invested in Capital Assets, Net of Related Debt	\$54,620,618	\$51,699,260	\$53,449,082	\$53,703,616
Restricted	2,288,050	8,908,087	7,825,897	5,536,261
Unrestricted	8,904,252	4,827,281	5,471,500	7,725,904
<i>Total governmental Activities Net Assets</i>	<u>\$65,812,920</u>	<u>\$65,434,628</u>	<u>\$66,746,479</u>	<u>\$66,965,781</u>
Business-Type Activities				
Invested in Capital Assets, Net of Related Debt	\$6,384,413	\$8,410,344	\$9,532,806	\$9,458,159
Unrestricted	7,465,721	5,979,615	6,425,634	7,517,353
<i>Total Business-Type Activities Net Assets</i>	<u>\$13,850,134</u>	<u>\$14,389,959</u>	<u>\$15,958,440</u>	<u>\$16,975,512</u>
Total Primary Government				
Invested in Capital Assets, Net of Related Debt	\$61,005,031	\$60,109,604	\$62,981,888	\$63,161,775
Restricted	2,288,050	8,908,087	7,825,897	5,536,261
Unrestricted	16,369,973	10,806,896	11,897,134	15,243,257
<i>Total Primary Government Net Assets</i>	<u>\$79,663,054</u>	<u>\$79,824,587</u>	<u>\$82,704,919</u>	<u>\$83,941,293</u>

2006	2007	2008	2009	2010
\$52,488,251	\$54,537,585	\$56,578,526	\$57,492,409	\$58,223,118
9,740,033	6,871,704	9,231,712	11,579,836	11,755,895
5,223,383	9,007,506	7,221,856	5,834,667	5,630,336
<u>\$67,451,667</u>	<u>\$70,416,795</u>	<u>\$73,032,094</u>	<u>\$74,906,912</u>	<u>\$75,609,349</u>
\$10,090,771	\$9,928,349	\$11,700,861	\$12,903,901	\$12,913,413
6,670,119	7,169,040	6,733,325	6,413,278	7,461,531
<u>\$16,760,890</u>	<u>\$17,097,389</u>	<u>\$18,434,186</u>	<u>\$19,317,179</u>	<u>\$20,374,944</u>
\$62,579,022	\$64,465,934	\$68,279,387	\$70,396,310	\$71,136,531
9,740,033	6,871,704	9,231,712	11,579,836	11,755,895
11,893,502	16,176,546	13,955,181	12,247,945	13,091,867
<u>\$84,212,557</u>	<u>\$87,514,184</u>	<u>\$91,466,280</u>	<u>\$94,224,091</u>	<u>\$95,984,293</u>

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

	2002	2003	2004	2005
Program Revenues:				
Governmental Activities:				
Charges for Services:				
General Government	\$3,710,434	\$3,718,960	\$3,926,762	\$4,113,140
Public Safety	1,146,719	1,175,583	1,285,022	1,313,898
Leisure Time Activities	61,701	59,699	55,506	60,430
Community Development	252,513	313,328	297,960	292,286
Transportation and Street Repair	0	0	0	0
Public Health and Welfare	29,575	30,715	28,829	34,073
Operating Grants, Contributions and Interest	1,649,218	775,560	2,417,960	2,274,918
Capital Grants, Contributions and Interest	544,854	888,166	2,063,689	528,654
Total Governmental Activities Program Revenues	7,395,014	6,962,011	10,075,728	8,617,399
Business-Type Activities:				
Charges for Services:				
Water	2,584,278	2,607,726	2,836,439	2,805,354
Sewer	4,006,321	4,006,820	4,433,028	4,594,321
Sanitation	1,903,751	1,878,380	2,005,865	2,010,264
Operating Grants, Contributions and Interest:				
Water	0	0	0	0
Sewer	0	0	0	0
Capital Grants, Contributions and Interest:				
Water	0	0	0	0
Sewer	0	0	0	0
Total Business-Type Activities Program Revenues	8,494,350	8,492,926	9,275,332	9,409,939
Total Primary Government Program Revenues	15,889,364	15,454,937	19,351,060	18,027,338
Expenses:				
Governmental Activities:				
General Government	7,051,733	7,913,833	7,992,100	9,772,999
Public Safety	10,224,571	10,411,559	10,864,285	11,379,893
Leisure Time Activities	192,053	204,881	217,512	257,014
Community Development	876,786	924,385	895,745	1,080,955
Transportation and Street Repair	960,594	962,684	878,685	1,187,932
Public Health and Welfare	170,269	161,312	161,299	172,154
Intergovernmental	0	0	0	0
Interest and Fiscal Charges	227,385	243,382	226,575	663,995
Total Governmental Activities Expenses	19,703,391	20,822,036	21,236,201	24,514,942
Business-Type Activities:				
Water	2,681,226	2,528,612	2,624,043	3,204,297
Sewer	3,657,890	3,408,437	3,158,600	4,535,248
Sanitation	1,784,814	2,025,971	1,946,026	2,027,626
Total Business-Type Activities Expenses	8,123,930	7,963,020	7,728,669	9,767,171
Total Primary Government Expenses	\$27,827,321	\$28,785,056	\$28,964,870	\$34,282,113

2006	2007	2008	2009	2010
\$4,804,288	\$4,255,380	\$4,468,225	\$4,735,434	\$4,546,522
1,498,951	1,637,736	1,643,651	1,570,569	2,243,439
65,446	64,074	15,800	15,431	17,755
254,979	279,014	0	0	0
0	897	0	0	0
32,022	29,696	27,171	46,576	31,559
2,504,549	2,910,842	2,852,492	3,312,494	2,601,148
2,186,866	672,689	1,867,845	2,049,859	1,154,072
11,347,101	9,850,328	10,875,184	11,730,363	10,594,495
2,759,818	2,975,569	3,410,484	3,535,657	3,737,937
4,840,354	4,944,647	5,466,151	5,571,836	5,754,670
2,144,265	2,246,696	2,396,874	2,482,526	2,525,807
0	0	5,813	2,657	0
0	0	3,170	1,800	51,742
0	0	0	37,460	27,700
0	0	0	44,330	39,540
9,744,437	10,166,912	11,282,492	11,676,266	12,137,396
21,091,538	20,017,240	22,157,676	23,406,629	22,731,891
10,850,767	9,425,790	8,784,812	9,093,180	10,210,347
13,282,937	12,753,371	13,011,273	13,664,046	13,166,582
486,746	300,073	301,791	389,573	509,311
1,147,616	1,042,518	932,039	1,030,438	1,096,602
1,214,199	1,391,534	1,461,350	2,044,120	1,829,298
109,854	103,575	79,371	91,313	91,846
0	0	195,085	207,546	222,316
598,655	726,456	577,333	523,675	459,319
27,690,774	25,743,317	25,343,054	27,043,891	27,585,621
3,038,417	3,289,099	3,274,444	3,421,387	3,456,025
5,155,747	4,514,767	4,717,417	4,339,587	5,382,287
2,054,612	2,523,416	2,109,350	2,702,870	2,328,675
10,248,776	10,327,282	10,101,211	10,463,844	11,166,987
\$37,939,550	\$36,070,599	\$35,444,265	\$37,507,735	\$38,752,608

(continued)

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

	2002	2003	2004	2005
Net (Expense)/Revenue				
Governmental Activities	(\$12,308,377)	(\$13,860,025)	(\$11,160,473)	(\$15,897,543)
Business-Type Activities	370,420	529,906	1,546,663	(357,232)
Total Primary Government Net Expenses	(11,937,957)	(13,330,119)	(9,613,810)	(16,254,775)
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	2,900,527
Fire and EMS	0	0	0	0
Police	0	0	0	0
Debt Service	155,383	89,952	151,616	157,749
Street Lighting	0	0	0	0
Special Revenue	162,637	162,112	180,544	192,806
Capital Projects	92,417	95,147	91,998	89,878
Other Local Taxes	0	0	0	0
Municipal Income Taxes (2)	5,488,820	6,534,126	6,293,807	9,478,816
Municipal Income Taxes Levied For:				
General Purposes	0	0	0	0
Street Programs	0	0	0	0
Capital Outlay	0	0	0	0
Revenue in Lieu of Taxes	0	0	0	0
Grants and Entitlements not				
Restricted to Specific Programs	3,176,277	3,456,098	1,832,128	1,917,607
Unrestricted Contributions	0	0	0	0
Investment Earnings	372,162	240,579	241,769	712,500
Refunds and Reimbursements	0	0	0	0
Other	689,280	479,904	788,312	860,658
Transfers-Internal Activities	0	(21,136)	(21,818)	(11,614)
Special Item: Sale of Stock	559,980	0	0	0
Total Governmental Activities	13,102,075	13,461,833	12,472,224	16,298,927
Business-Type Activities:				
Investment Earnings	0	0	0	0
Other	0	0	0	0
Transfers-Internal Activities	0	21,136	21,818	11,614
Total Business-Type Activities	0	21,136	21,818	11,614
Total Primary Government	13,102,075	13,482,969	12,494,042	16,310,541
Prior Year Restatement of Governmental Activities Net Assets	0	0	0	0
Prior Year Restatement of Business-Type Activities Net Assets	0	0	0	0
Change in Net Assets:				
Governmental Activities	793,698	(398,192)	1,311,751	401,384
Business-Type Activities	370,420	551,042	1,568,481	(345,618)
Total Primary Government	\$1,164,118	\$152,850	\$2,880,232	\$55,766

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

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

2006	2007	2008	2009	2010
(\$16,343,673)	(\$15,892,989)	(\$14,467,870)	(\$15,313,528)	(\$16,991,126)
(504,339)	(160,370)	1,181,281	1,212,422	970,409
(16,848,012)	(16,053,359)	(13,286,589)	(14,101,106)	(16,020,717)
2,458,468	2,174,289	1,751,432	1,604,334	1,645,992
0	0	373,158	373,388	380,949
0	0	0	148,183	152,106
160,196	146,175	133,767	149,933	149,388
0	0	142,205	134,505	139,667
2,303,320	564,276	0	0	0
80,359	159,966	0	0	0
0	0	840,651	738,667	712,099
8,985,856	11,791,441	0	0	0
0	0	8,488,898	7,384,148	7,739,285
0	0	2,060,948	1,853,273	1,931,190
0	0	2,030,024	1,848,135	1,931,190
0	0	294,409	310,823	339,114
1,432,939	2,357,094	2,072,364	2,148,568	2,158,308
60,711	0	0	0	0
895,623	1,048,527	958,903	125,503	16,369
219,905	0	0	0	0
240,363	227,875	410,769	368,886	397,906
(8,181)	(11,212)	0	0	0
0	0	0	0	0
16,829,559	18,458,431	19,557,528	17,188,346	17,693,563
184,557	259,186	113,524	126,621	57,526
96,979	76,471	41,992	31,975	29,830
8,181	11,212	0	0	0
289,717	346,869	155,516	158,596	87,356
17,119,276	18,805,300	19,713,044	17,346,942	17,780,919
0	399,686	0	0	0
0	150,000	0	(488,025)	0
485,886	2,965,128	5,089,658	1,874,818	702,437
(214,622)	336,499	1,336,797	882,993	1,057,765
\$271,264	\$3,301,627	\$6,426,455	\$2,757,811	\$1,760,202

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

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
General Fund					
Reserved	\$177,974	\$568,219	\$245,934	\$217,896	\$168,628
Unreserved	4,895,298	4,005,389	3,790,060	3,776,580	4,641,173
Total General Fund	<u>5,073,272</u>	<u>4,573,608</u>	<u>4,035,994</u>	<u>3,994,476</u>	<u>4,809,801</u>
All Other Governmental Funds					
Reserved	1,248,572	1,115,820	1,507,275	743,955	2,188,633
Unreserved, Undesignated (Deficit) Reported in:					
Special Revenue Funds	689,825	1,135,057	1,118,846	1,100,078	1,026,335
Debt Service Fund	0	0	0	0	0
Capital Projects Funds	511,614	307,038	978,497	1,051,916	7,144,789
Total all Other Governmental Funds	<u>2,450,011</u>	<u>2,557,915</u>	<u>3,604,618</u>	<u>2,895,949</u>	<u>10,359,757</u>
All Governmental Funds	<u><u>\$7,523,283</u></u>	<u><u>\$7,131,523</u></u>	<u><u>\$7,640,612</u></u>	<u><u>\$6,890,425</u></u>	<u><u>\$15,169,558</u></u>

2006	2007	2008	2009	2010
\$245,018	\$134,360	\$202,949	\$243,901	\$186,548
5,202,888	5,577,044	4,496,405	3,522,534	3,314,728
5,447,906	5,711,404	4,699,354	3,766,435	3,501,276
1,916,625	747,853	650,135	2,017,230	3,385,934
2,500,629	2,342,636	2,678,806	3,274,776	2,475,184
380,838	369,454	346,215	325,721	295,174
(1,980,179)	(899,905)	(541,650)	(334,303)	111,308
2,817,913	2,560,038	3,133,506	5,283,424	6,267,600
\$8,265,819	\$8,271,442	\$7,832,860	\$9,049,859	\$9,768,876

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

	2001	2002	2003	2004	2005
Revenues:					
Property Taxes	\$0	\$0	\$0	\$0	\$0
Other Local Taxes	0	0	0	0	0
Municipal Income Taxes	0	0	0	0	0
Revenue in Lieu of Taxes	0	0	0	0	0
Taxes (1)	8,765,407	8,993,618	9,341,627	9,430,916	12,748,456
Fines, Licenses and Permits	1,758,798	1,801,303	1,733,554	1,576,265	1,673,142
Charges for Services	3,240,197	3,368,475	3,552,641	4,017,814	4,140,685
Investment Earnings	668,771	361,252	233,397	235,220	695,348
Intergovernmental	5,016,154	4,938,871	4,862,993	4,713,476	4,964,424
Special Assessments	469,622	387,253	450,642	325,991	496,664
Contributions and Donations	0	0	0	0	0
Other	617,671	599,130	439,315	773,721	811,522
Total Revenues	20,536,620	20,449,902	20,614,169	21,073,403	25,530,241
Expenditures:					
Current:					
General Government	5,496,951	5,752,593	5,777,571	5,831,092	6,735,946
Public Safety	9,685,004	9,868,946	9,976,207	10,329,612	10,912,325
Leisure Time Activities	183,800	161,955	170,123	176,296	195,785
Community Development	822,128	818,227	873,993	850,517	1,033,507
Transportation and Street Repair	789,720	899,133	866,139	843,820	1,056,935
Public Health and Welfare	151,234	152,562	155,009	158,972	170,082
Capital Outlay	2,608,648	2,743,730	2,469,469	2,990,691	5,632,627
Intergovernmental	0	0	0	0	0
Debt Service:					
Principal Retirement	459,000	426,000	435,000	506,208	1,176,700
Interest and Fiscal Charges	282,674	238,408	241,730	227,380	667,870
Issuance Costs	0	0	0	0	0
Total Expenditures	20,479,159	21,061,554	20,965,241	21,914,588	27,581,777
Excess of Revenues					
Over (Under) Expenditures	57,461	(611,652)	(351,072)	(841,185)	(2,051,536)
Other Financing Sources (Uses):					
Premium on Debt Issued	0	0	0	0	281,454
Sale of Notes	0	0	0	62,056	0
Proceeds from the Sale of Capital Assets	49,465	121,657	31,307	55,451	18,710
Issuance of Long-Term Capital-Related Debt	0	0	760,000	275,000	10,000,000
Proceeds from Refunding Bonds	1,370,000	0	0	0	0
Proceeds to Refunding Bond Escrow Agent	(1,349,848)	0	0	0	0
Special Assessments Bond Issued	0	0	0	0	0
General Obligation Bonds Issued	0	0	0	0	0
Refunding Notes Issued	0	0	0	0	0
Inception of Capital Lease	0	0	0	107,924	42,119
Transfers-In	1,180,867	1,505,756	1,897,171	1,248,277	3,057,305
Transfers-Out	(1,180,867)	(1,407,521)	(1,848,307)	(1,170,495)	(3,068,919)
Total Other Financing Sources (Uses)	69,617	219,892	840,171	578,213	10,330,669
Restatement of Prior Year Fund Balances	24,359	0	19,990	(487,215)	0
Net Change in Fund Balances	\$151,437	(\$391,760)	\$509,089	(\$750,187)	\$8,279,133
Debt Service as a Percentage					
of Noncapital Expenditures	4.1%	3.6%	2.0%	2.1%	5.9%

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

2006	2007	2008	2009	2010
\$0	\$0	\$2,389,176	\$2,425,711	\$2,458,646
0	0	840,651	738,667	712,099
0	0	10,194,655	11,185,796	11,442,949
0	0	294,409	310,823	339,114
14,340,781	14,175,271	0	0	0
1,835,529	1,946,954	2,404,118	2,002,352	1,817,598
4,257,434	3,943,296	3,368,842	4,151,360	4,868,341
895,623	1,049,461	1,000,056	233,256	165,647
5,164,926	5,196,126	6,287,601	6,028,951	5,914,059
543,391	477,094	317,084	302,578	414,979
0	0	0	542,430	0
521,639	289,418	410,769	368,886	397,906
<u>27,559,323</u>	<u>27,077,620</u>	<u>27,507,361</u>	<u>28,290,810</u>	<u>28,531,338</u>
6,477,723	6,066,276	6,780,642	6,826,870	7,517,523
12,564,172	12,254,446	12,519,358	12,902,125	12,772,786
410,110	211,967	206,165	280,300	391,574
1,059,955	1,004,676	915,623	1,010,774	1,080,457
1,018,784	1,328,606	1,123,628	1,654,970	1,460,195
89,967	104,930	79,775	88,814	90,865
11,390,490	4,252,263	4,545,832	2,387,313	2,505,157
0	0	195,085	207,546	222,316
1,387,422	1,562,422	1,540,702	1,706,369	2,040,492
626,558	755,436	625,846	546,730	485,687
0	0	0	0	852
<u>35,025,181</u>	<u>27,541,022</u>	<u>28,532,656</u>	<u>27,611,811</u>	<u>28,567,904</u>
<u>(7,465,858)</u>	<u>(463,402)</u>	<u>(1,025,295)</u>	<u>678,999</u>	<u>(36,566)</u>
0	0	0	0	583
0	0	0	0	0
65,300	15,237	0	0	0
505,000	465,000	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	280,000	135,000	0
0	0	0	0	45,000
0	0	135,000	403,000	710,000
0	0	171,713	0	0
4,077,630	4,127,372	4,839,170	10,563,476	10,226,724
<u>(4,085,811)</u>	<u>(4,138,584)</u>	<u>(4,839,170)</u>	<u>(10,563,476)</u>	<u>(10,226,724)</u>
<u>562,119</u>	<u>469,025</u>	<u>586,713</u>	<u>538,000</u>	<u>755,583</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>(\$6,903,739)</u>	<u>\$5,623</u>	<u>(\$438,582)</u>	<u>\$1,216,999</u>	<u>\$719,017</u>
6.6%	5.8%	9.2%	9.0%	9.7%

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
2001	\$377,777,510	\$1,079,364,314	\$19,736,500	\$22,427,841	\$34,479,275	\$137,917,100
2002	389,154,750	1,111,870,714	15,055,150	17,108,125	29,381,672	117,526,688
2003	450,998,070	1,288,565,914	15,803,490	17,958,511	29,402,399	117,609,596
2004	457,846,720	1,308,133,486	15,059,190	17,112,716	28,546,698	114,186,792
2005	465,630,690	1,330,373,400	14,726,390	16,734,534	28,562,585	114,250,340
2006	502,077,420	1,434,506,914	13,420,850	15,250,966	27,961,223	149,126,523
2007	506,398,990	1,446,854,257	12,989,310	14,760,580	19,626,089	157,008,712
2008	513,328,920	1,466,654,057	11,790,182	13,397,934	15,057,095	24,091,352
2009	552,208,370	1,577,738,200	10,790,570	12,262,011	7,381,048	11,809,677
2010	546,193,740	1,560,553,543	11,198,650	12,725,739	9,299,640	14,879,424

Source: Greene County Auditor

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

The assessed value of real property (including public utility real property) is 35 percent of estimated true value. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property. General business tangible personal property was assessed in previous years at 25 percent for machinery and equipment and 23 percent for inventories. General business tangible personal property tax was phased out beginning in 2006. Both types of general business tangible personal property were assessed at 12.5 percent for 2007, 6.25 percent for 2008 and zero percent for 2009. Beginning in 2007, House Bill 66 switched telephone companies from being public utilities to general business taxpayers and began a four year phase out of the tangible personal property tax on local and inter-exchange telephone companies. No tangible personal property taxes were levied or collected in 2009 from general business taxpayers (except telephone companies whose last year to pay tangible personal property tax is 2010).

The 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	
\$431,993,285	\$1,239,709,255	34.85%	\$10.26
433,591,572	1,246,505,527	34.78	9.48
496,203,959	1,424,134,022	34.84	9.29
501,452,608	1,439,432,994	34.84	10.57
508,919,665	1,461,358,274	34.83	9.27
543,459,493	1,598,884,403	33.99	8.95
539,014,389	1,618,623,549	33.30	8.89
540,176,197	1,504,143,343	35.91	8.85
570,379,988	1,601,809,888	35.61	8.78
566,692,030	1,588,158,705	35.68	8.80

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

	2001	2002	2003	2004	2005
Unvoted Millage					
Operating	\$2.50000	\$2.50000	\$2.50000	\$2.50000	\$2.50000
Voted Millage - by levy					
1976 Current Expense					
Residential/Agricultural Real	1.5270	1.3522	1.3411	1.3360	1.2619
Commercial/Industrial and Public Utility Real	2.1941	1.8985	1.9509	1.9694	1.8990
General Business and Public Utility Personal	4.8000	4.8000	4.8000	4.8000	4.8000
1976 Street Light					
Residential/Agricultural Real	0.2863	0.2535	0.2515	0.2505	0.2366
Commercial/Industrial and Public Utility Real	0.4114	0.3560	0.3658	0.3693	0.3561
General Business and Public Utility Personal	0.9000	0.9000	0.9000	0.9000	0.9000
1976 Bond Levy (\$930,000)					
Residential/Agricultural Real	0.0000	0.0000	0.0000	0.0000	0.0000
Commercial/Industrial and Public Utility Real	0.0000	0.0000	0.0000	0.0000	0.0000
General Business and Public Utility Personal	0.0000	0.0000	0.0000	0.0000	0.0000
1982 Emergency Medical Service					
Residential/Agricultural Real	0.5078	0.4497	0.4460	0.4443	0.4196
Commercial/Industrial and Public Utility Real	0.6401	0.5538	0.5692	0.5745	0.5540
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	0.4000	0.2000	0.3000	0.3000	0.3000
Commercial/Industrial and Public Utility Real	0.4000	0.2000	0.3000	0.3000	0.3000
General Business and Public Utility Personal	0.4000	0.2000	0.3000	0.3000	0.3000
<i>Total Voted Millage by Type of Property</i>					
Residential/Agricultural Real	2.72110	2.25540	2.33860	2.33080	2.21810
Commercial/Industrial and Public Utility Real	3.64560	3.00830	3.18590	3.21320	3.10910
General Business and Public Utility Personal	7.10000	6.90000	7.00000	7.00000	7.00000
<i>Total Millage by Type of Property</i>					
Residential/Agricultural Real	5.22110	4.75540	4.83860	4.83080	4.71810
Commercial/Industrial and Public Utility Real	6.14560	5.50830	5.68590	5.71320	5.60910
General Business and Public Utility Personal	9.60000	9.40000	9.50000	9.50000	9.50000

2006	2007	2008	2009	2010
\$2.50000	\$2.50000	\$2.50000	\$2.50000	\$2.50000
1.2566	1.2535	1.1784	1.1787	1.1799
1.9108	1.9210	1.7922	1.8323	1.8505
4.8000	4.8000	4.8000	4.8000	4.8000
0.2356	0.2350	0.2209	0.2210	0.2212
0.3583	0.3602	0.3360	0.3436	0.3470
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
0.4179	0.4169	0.3919	0.3920	0.3924
0.5575	0.5604	0.5229	0.5345	0.5398
1.0000	1.0000	1.0000	1.0000	1.0000
0.3000	0.2800	0.3000	0.3000	0.2500
0.3000	0.2800	0.3000	0.3000	0.2500
0.3000	0.2800	0.3000	0.3000	0.2500
2.21010	2.18540	2.09120	2.09170	2.04350
3.12660	3.12160	2.95110	3.01040	2.98730
7.00000	6.98000	7.00000	7.00000	6.95000
4.71010	4.68540	4.59120	4.59170	4.54350
5.62660	5.62160	5.45110	5.51040	5.48730
9.50000	9.48000	9.50000	9.50000	9.45000

(continued)

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

Overlapping Rates by Taxing District

	2001	2002	2003	2004	2005
Fairborn City School District					
Residential/Agricultural Real	\$22.9000	\$22.9000	\$22.6000	\$22.6000	\$22.4000
Commercial/Industrial and Public Utility Real	26.9583	24.3519	24.5718	24.7422	23.8984
General Business and Public Utility Personal	44.7000	44.7000	44.4000	44.4000	44.2000
Greene County Joint Vocational School District					
Residential/Agricultural Real	2.7049	2.6172	2.6154	2.6133	2.5752
Commercial/Industrial and Public Utility Real	2.7349	2.6638	2.7062	2.7076	2.6528
General Business and Public Utility Personal	3.4500	3.4500	3.4500	3.4500	3.4500
General Health District					
Residential/Agricultural Real	0.2826	0.4373	0.4360	0.4346	0.4079
Commercial/Industrial and Public Utility Real	0.2932	0.4528	0.4601	0.4604	0.4455
General Business and Public Utility Personal	0.3000	0.5000	0.5000	0.5000	0.5000
Greene County					
Residential/Agricultural Real	8.9066	8.1034	7.9194	10.3606	10.8837
Commercial/Industrial and Public Utility Real	9.3304	8.6860	8.5882	10.6373	11.3795
General Business and Public Utility Personal	10.3300	10.3300	10.0700	11.3000	12.3000

Source: Greene County Auditor

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

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

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

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

2006	2007	2008	2009	2010
\$22.4001	\$30.7001	\$30.1000	\$30.0066	\$30.1277
24.0142	32.4080	31.0102	31.2887	31.4438
44.2000	52.5000	51.9000	51.8000	51.9000
2.5720	2.5692	2.5269	2.5285	2.5316
2.6661	2.6501	2.6030	2.6776	2.6963
3.4500	3.4500	3.4500	3.4500	3.4500
0.4971	0.4948	0.4570	0.4573	0.4578
0.5000	0.4954	0.4598	0.4731	0.4763
0.5000	0.5000	0.5000	0.5000	0.5000
10.6950	10.6547	10.0302	10.9944	11.5834
11.1652	11.0849	10.4644	11.5388	11.5388
11.5500	11.5500	11.5500	12.2500	12.2500

City of Fairborn, Ohio
Principal Property Tax Payers
 2010 and 2005 (1)
 Schedule 7

Taxpayer	2010	
	Assessed Value	Percentage of Total Assessed Value
Dayton Power and Light Company	\$8,975,560	1.57%
Charter Woods, LLC	6,547,140	1.15%
Wright Executive Hotel	5,642,880	0.99%
MG-Mapleview LTD	4,221,630	0.74%
2377 Commerce Center Blvd.	3,617,500	0.63%
Miami Valley Publishing Co., Inc.	3,290,870	0.58%
Campus Village Wright State LLC	3,265,050	0.57%
NATDayton LLC	3,254,990	0.57%
Highlands Apartments Phase I L	2,967,300	0.52%
Shoppes at V G LTD	2,714,800	0.48%
Total Principal Property Tax Payers	44,497,720	7.80%
Total All Others	522,194,310	92.20%
Total Assessed Value	\$566,692,030	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
2001	\$2,378,075	\$2,283,316	96.02%	\$0	\$2,283,316	96.02%
2002	2,312,652	2,236,001	96.69%	0	2,236,001	96.69%
2003	2,391,232	2,295,337	95.99%	0	2,295,337	95.99%
2004	2,525,070	2,436,033	96.47%	0	2,436,033	96.47%
2005	2,577,182	2,390,628	92.76%	0	2,390,628	92.76%
2006	2,681,552	2,589,155	96.55%	0	2,589,155	96.55%
2007	2,964,283	2,628,788	88.68%	0	2,628,788	88.68%
2008	2,868,759	2,554,887	89.06%	86,433	2,641,320	92.07%
2009	2,717,660	2,579,953	94.93%	113,788	2,693,741	99.12%
2010	3,243,053	2,591,481	79.91%	132,721	2,724,202	84.00%

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					
2001	\$5,020,174	\$783,466	\$5,803,640	\$277,432	\$0	\$6,081,072	1.00%
2002	5,194,056	762,233	5,956,289	367,593	0	6,323,882	1.00%
2003	5,253,485	813,148	6,066,633	423,774	0	6,490,407	1.00%
2004	5,294,278	787,786	6,082,064	456,293	0	6,538,357	1.00%
2005	7,764,991	1,005,942	8,770,933	469,672	0	9,240,605	1.50%
2006	8,339,271	1,355,634	9,694,905	796,801	0	10,491,706	1.50%
2007	8,850,224	1,278,895	10,129,119	747,105	0	10,876,224	1.50%
2008	8,597,465	1,438,186	10,035,651	799,493	0	10,835,144	1.50%
2009	9,097,190	1,344,367	10,441,557	493,240	0	10,934,797	1.50%
2010	9,052,186	1,465,601	10,517,787	527,885	0	11,045,672	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
2001	\$2,000,000	\$1,890,000	\$700,000	\$47,273	\$0	\$0
2002	1,770,000	1,694,000	1,220,000	85,833	0	0
2003	1,983,000	1,806,000	470,000	56,663	0	0
2004	1,995,000	1,598,000	185,000	83,511	0	935,160
2005	1,700,000	1,390,000	2,110,000	59,811	9,350,000	852,285
2006	1,400,000	1,760,000	4,750,000	36,111	8,470,000	720,737
2007	1,080,000	2,000,000	2,470,000	12,412	7,570,000	627,014
2008	890,000	1,960,000	2,365,000	260,000	6,650,000	804,147
2009	695,000	1,789,000	3,292,762	501,000	5,830,729	669,186
2010	570,583	1,437,000	1,993,163	710,000	4,802,583	527,264

N/A - Information not available.

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

Business-Type Activities

General Obligation Bonds	Special Assessment Bonds	OWDA Loan	OPWC Loan	General Obligation Notes	Capital Leases	Total Primary Government	Percentage of Personal Income	Per Capita
\$5,485,000	\$0	\$3,874,250	\$233,596	\$990,000	\$0	\$15,220,119	0.35%	\$475
5,030,000	0	3,662,632	216,911	3,690,000	0	17,369,376	0.38%	542
5,515,000	0	3,365,076	200,225	3,100,000	0	16,495,964	0.35%	515
8,050,000	0	3,058,962	183,540	1,630,000	75,783	17,794,956	0.37%	555
7,340,000	0	2,735,900	166,855	4,700,000	58,082	30,462,933	0.62%	950
6,590,000	0	2,394,852	150,170	3,900,000	39,576	30,211,446	0.58%	943
5,805,000	150,000	2,034,697	133,485	6,600,000	20,228	28,502,836	0.53%	889
4,850,000	140,000	1,654,244	116,800	10,880,000	5,239	30,575,430	0.54%	856
4,021,044	130,000	1,252,220	108,458	10,635,000	4,767	28,929,166	0.52%	824
10,560,921	120,000	827,271	91,772	4,057,000	285,848	25,983,405	N/A	N/A

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

Year	General Bonded Debt	Estimated Actual Value (1)	Population (2)	Ratio of Debt to Estimated Actual Value	Debt Per Capita
2001	\$2,000,000	\$1,239,709,255	32,054	0.16%	\$62
2002	1,770,000	1,246,505,527	32,054	0.14%	55.22
2003	1,983,000	1,424,134,022	32,054	0.14%	61.86
2004	1,995,000	1,439,432,994	32,054	0.14%	62.24
2005	1,700,000	1,461,358,274	32,054	0.12%	53.04
2006	1,400,000	1,598,884,403	32,054	0.09%	43.68
2007	1,080,000	1,618,623,549	32,054	0.07%	33.69
2008	890,000	1,504,143,343	32,054	0.06%	27.77
2009	695,000	1,601,809,888	32,054	0.04%	21.68
2010	570,583	1,588,158,705	31,780	0.04%	17.95

Source: (1) Greene County Auditor
 (2) Population estimates provided by U.S. Census Bureau (2000 and 2010 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, 2010
 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	\$2,703,163	100.00%	\$2,703,163
General Obligation Bonds	570,583	100.00%	570,583
Income Tax Revenue Bonds	4,802,583	100.00%	4,802,583
Special Assessment Bonds	1,437,000	100.00%	1,437,000
Capital Lease Obligations	527,264	100.00%	527,264
	<hr/>		<hr/>
Total Direct Debt	10,040,593		10,040,593
	<hr/>		<hr/>
Overlapping Debt:			
Greene County	32,110,427	14.42%	4,630,324
Beavercreek Township	180,000	3.52%	6,336
Greene County Vocational School District (2)	221,440	14.17%	31,378
Beavercreek City School District (2)	199,277,000	3.48%	6,934,840
Fairborn City School District (2)	18,277,253	77.84%	14,227,014
	<hr/>		<hr/>
Total Overlapping Debt	250,066,120		25,829,891
	<hr/>		<hr/>
Grand Total	\$260,106,713		\$35,870,484
	<hr/> <hr/>		<hr/> <hr/>

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, 2010.

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

	2001	2002	2003	2004	2005
Total Assessed Valuation	\$431,993,285	\$433,591,572	\$496,203,959	\$501,452,608	\$508,919,665
Overall debt limitation - 10.5% of assessed valuation	45,359,295	45,527,115	52,101,416	52,652,524	53,436,565
Debt Outstanding					
General Obligation Bonds	5,487,000	6,800,000	7,803,000	10,340,000	9,325,000
Income Tax Revenue Bonds	0	0	0	0	9,350,000
Special Assessment Bonds	1,937,273	1,779,833	1,557,663	1,386,511	1,164,811
Loans Payable	4,107,846	3,879,543	3,565,301	3,242,502	2,902,756
Bond Anticipation Notes	1,690,000	4,610,000	3,570,000	1,815,000	6,810,000
Total Gross Indebtedness	13,222,119	17,069,376	16,495,964	16,784,013	29,552,567
Less Exempt Debt					
General Obligation Bonds	3,487,000	5,030,000	5,515,000	8,050,000	7,340,000
Income Tax Revenue Bonds	0	0	0	0	9,350,000
Special Assessment Bonds	1,937,273	1,779,833	1,557,663	1,386,511	1,164,811
Loans Payable	4,107,846	3,879,543	3,565,301	3,242,502	2,902,756
Bond Anticipation Notes	1,690,000	4,610,000	3,570,000	1,815,000	6,810,000
Total Exempt Debt	11,222,119	15,299,376	14,207,964	14,494,013	27,567,567
Net Debt Subject to Limitation	2,000,000	1,770,000	2,288,000	2,290,000	1,985,000
Less amount available in the Debt Service Fund	859,706	629,634	549,673	572,652	642,319
Total Net Debt Subject to Limitation	1,140,294	1,140,366	1,738,327	1,717,348	1,342,681
Legal debt margin within 10.5% limitation	\$44,219,001	\$44,386,749	\$50,363,089	\$50,935,176	\$52,093,884
Legal Debt Margin as a Percentage of the Debt Limit	97.5%	97.5%	96.7%	96.7%	97.5%
Unvoted debt limitation 5.5% of assessed valuation	\$23,759,631	\$23,847,536	\$27,291,218	\$27,579,893	\$27,990,582
Debt Outstanding	13,222,119	17,069,376	16,495,964	16,784,013	29,552,567
Less Exempt Debt					
General Obligation Bonds	3,487,000	5,030,000	5,515,000	8,050,000	7,340,000
Income Tax Revenue Bonds	0	0	0	0	9,350,000
Special Assessment Bonds	1,937,273	1,779,833	1,557,663	1,386,511	1,164,811
Loans Payable	4,107,846	3,879,543	3,565,301	3,242,502	2,902,756
Bond Anticipation Notes	1,690,000	4,610,000	3,570,000	1,815,000	6,810,000
Total Exempt Debt	11,222,119	15,299,376	14,207,964	14,494,013	27,567,567
Net Debt Subject to Limitation	2,000,000	1,770,000	2,288,000	2,290,000	1,985,000
Less amount available in the Debt Service Fund	859,706	629,634	549,673	572,652	642,319
Total Net Debt Subject to Limitation	1,140,294	1,140,366	1,738,327	1,717,348	1,342,681
Legal debt margin within 5.5% limitation	\$22,619,337	\$22,707,170	\$25,552,891	\$25,862,545	\$26,647,901
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limitation	95.2%	95.2%	93.6%	93.8%	95.2%

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

2006	2007	2008	2009	2010
\$543,459,493	\$539,014,389	\$540,176,197	\$570,379,988	\$566,692,030
57,063,247	56,596,511	56,718,501	59,889,899	59,502,663
8,265,000	6,735,000	5,740,000	4,725,000	11,205,000
8,470,000	7,570,000	6,650,000	5,690,000	4,690,000
1,386,111	2,162,412	2,100,000	1,919,000	1,557,000
2,545,022	2,168,182	1,771,044	1,360,678	919,043
8,650,000	9,070,000	13,505,000	14,428,762	6,747,762
29,316,133	27,705,594	29,766,044	28,123,440	25,118,805
6,590,000	5,655,000	4,850,000	4,030,000	10,635,000
8,470,000	7,570,000	6,650,000	5,690,000	4,690,000
1,386,111	2,162,412	2,100,000	1,919,000	1,557,000
2,545,022	2,168,182	1,771,044	1,360,678	919,043
8,650,000	9,070,000	13,505,000	14,428,762	6,747,762
27,641,133	26,625,594	28,876,044	27,428,440	24,548,805
1,675,000	1,080,000	890,000	695,000	570,000
623,570	369,454	346,215	325,721	295,174
1,051,430	710,546	543,785	369,279	274,826
\$56,011,817	\$55,885,965	\$56,174,716	\$59,520,620	\$59,227,837
98.2%	98.7%	99.0%	99.4%	99.5%
\$29,890,272	\$29,645,791	\$29,709,691	\$31,370,899	\$31,168,062
29,316,133	27,705,594	29,766,044	28,123,440	25,118,805
6,590,000	5,655,000	4,850,000	4,030,000	10,635,000
8,470,000	7,570,000	6,650,000	5,690,000	4,690,000
1,386,111	2,162,412	2,100,000	1,919,000	1,557,000
2,545,022	2,168,182	1,771,044	1,360,678	919,043
8,650,000	9,070,000	13,505,000	14,428,762	6,747,762
27,641,133	26,625,594	28,876,044	27,428,440	24,548,805
1,675,000	1,080,000	890,000	695,000	570,000
623,570	369,454	346,215	325,721	295,174
1,051,430	710,546	543,785	369,279	274,826
\$28,838,842	\$28,935,245	\$29,165,906	\$31,001,620	\$30,893,236
96.5%	97.6%	98.2%	98.8%	99.1%

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	
2001	\$516,937	\$196,000	\$137,983	1.55
2002	359,756	196,000	122,900	1.13
2003	332,774	193,000	117,315	1.07
2004	393,506	213,000	116,067	1.20
2005	347,871	213,000	99,770	1.11
2006	301,223	140,000	83,472	1.35
2007	399,839	230,000	99,859	1.21
2008	449,334	332,412	99,524	1.04
2009	378,758	306,000	93,814	0.95
2010	435,901	352,000	79,878	1.01

Source: County Auditor

(1) City's tax settlement sheets.

City of Fairborn, Ohio
Pledged Revenue Coverage
Special Assessment Bonds - Sewer Fund
Last Three Years
Schedule 15

Calendar Year (1)	Special Assessment Collections (2)	Debt Service		Coverage
		Principal	Interest	
2008	\$16,100	\$10,000	\$6,100	1.00
2009	15,840	10,000	5,840	1.00
2010	15,550	10,000	5,550	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
2001	\$2,375,713	\$1,369,172	\$1,006,541	\$16,686	60.32
2002	2,570,909	1,726,293	844,616	16,685	50.62
2003	2,596,541	1,611,535	985,006	16,686	59.03
2004	2,808,946	1,614,602	1,194,344	16,685	71.58
2005	2,773,541	2,213,913	559,628	16,685	33.54
2006	2,829,053	2,132,888	696,165	16,685	41.72
2007	3,049,605	2,328,430	721,175	16,685	43.22
2008	3,438,472	2,318,426	1,120,046	16,685	67.13
2009	3,553,451	2,527,093	1,026,358	8,342	123.04
2010	3,751,611	2,588,244	1,163,367	16,686	69.72

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

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

Calendar Year	Gross Revenues	Less: Operating Expenses(1)	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2001	\$3,687,109	\$1,869,734	\$1,817,375	\$267,732	\$237,942	3.59
2002	3,970,838	2,414,112	1,556,726	211,618	219,341	3.61
2003	3,985,235	2,093,522	1,891,713	288,873	247,325	3.53
2004	4,389,254	1,836,790	2,552,464	306,114	186,647	5.18
2005	4,540,138	3,067,957	1,472,181	323,062	168,817	2.99
2006	4,867,233	3,142,634	1,724,599	341,049	149,909	3.51
2007	4,945,690	3,189,204	1,756,486	360,155	122,578	3.64
2008	5,480,155	3,432,202	2,047,953	380,453	102,279	4.24
2009	5,586,017	3,127,248	2,458,769	402,024	80,706	5.09
2010	5,770,826	3,955,133	1,815,693	424,949	55,693	3.78

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

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

Calendar Year	Population (1)	Personal Income (Thousands of Dollars) (2)	Per Capita Personal Income (3)	Unemployment Rate (4)
2001	32,054	\$4,352,395	\$29,107	5.2%
2002	32,054	4,519,917	29,845	5.7%
2003	32,054	4,693,132	30,638	5.4%
2004	32,054	4,788,234	30,810	5.7%
2005	32,054	4,925,113	31,545	5.4%
2006	32,054	5,206,513	33,044	5.4%
2007	32,054	5,390,237	33,988	6.2%
2008	32,054	5,692,242	35,720	7.5%
2009	32,054	5,610,597	35,105	11.7%
2010	31,780	N/A	N/A	10.7%

- Sources:
- (1) Population estimates provided by U.S. Census Bureau (2000 Census, and 2010 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 Labor Market Information

N/A - Information not available

City of Fairborn, Ohio
Principal Employers
 2010 and 2005 (1)
 Schedule 19

2010	
Employer	Number of Employees
Wright Patterson AFB	25,000
Wright State University	2,375
Teleperformance USA Inc.	600
Fairborn City Schools	566
Wright-Patt Credit Union (2)	484
Ball Aerospace	364
City of Fairborn	237
I Supply	175
Morris Home Furniture Co.	167
Ali Industries	164
Total Employees	30,132

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

Source: Community Development Division

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

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	2001	2002	2003	2004	2005	2006
General Government						
City Council	0.5	0.5	0.5	0.5	4.0	4.0
Municipal Court	28.8	26.8	26.8	25.1	24.0	24.0
City Administration	4.9	4.8	4.8	4.8	3.5	3.5
Finance	16.5	14.5	14.5	14.5	15.0	14.0
Legal	1.7	2.0	1.8	1.8	2.0	2.0
Personnel	2.0	2.0	2.0	1.6	1.0	1.0
Engineering	4.0	4.0	4.0	4.0	4.0	5.5
Public Works Director	1.0	1.0	1.0	0.0	0.0	0.0
Audio Visual	1.0	1.0	1.0	1.0	0.0	0.0
Plant Maintenance	12.0	12.0	11.4	12.0	12.0	12.0
Victim Witness	2.0	2.0	2.0	2.0	2.0	2.0
Public Safety (1)						
Police						
Sworn Officers	65.1	64.6	66.2	60.7	51.0	47.5
Non-Sworn	0.0	0.0	0.0	0.0	16.0	16.0
Fire	51.0	54.0	53.0	51.0	50.5	51.0
Community Environment						
Building Inspection	5.0	5.7	5.0	5.0	5.0	5.0
City Planner	3.1	3.0	3.1	3.0	3.0	3.0
Neighborhood Betterment	3.6	3.6	2.0	2.0	4.0	3.5
Leisure Time Activities						
Parks and Recreation	1.5	1.5	1.5	1.5	1.5	1.5
Transportation and Street Repair						
Street	11.3	11.3	10.3	9.8	10.0	10.0
State Highway	1.0	1.0	1.0	1.0	1.0	1.0
Public Health and Welfare						
Cemetery	2.0	2.0	2.0	2.0	1.5	1.5
Basic Utility Service						
Water	16.3	16.3	16.3	17.3	17.5	17.0
Sewer	22.3	22.5	22.5	22.5	21.5	23.0
Sanitation	2.0	2.0	2.0	2.0	1.0	1.0
Internal Service						
ITS	0.0	0.0	0.0	0.0	2.0	2.0
Equipment Services	9.7	9.7	8.7	8.0	7.0	7.0
Total	<u>268.1</u>	<u>267.6</u>	<u>263.2</u>	<u>253.0</u>	<u>260.0</u>	<u>258.0</u>

Source: Various City Departments

(1) Information obtained from department annual reports.

2007	2008	2009	2010
0.9	1.4	1.4	1.4
28.9	29.5	30.1	29.3
3.8	3.0	4.0	3.0
15.3	12.8	13.4	13.9
2.0	2.0	2.0	2.0
1.0	1.0	1.0	1.0
6.1	6.1	6.4	6.4
0.0	0.0	0.0	0.0
0.0	0.0	0.0	0.0
9.6	8.8	8.8	8.5
1.9	1.8	1.8	2.0
43.0	43.0	43.0	42.0
18.6	18.9	18.9	18.9
52.0	51.7	51.5	51.5
4.9	4.9	5.5	5.5
2.3	2.8	2.5	2.5
3.6	2.9	2.8	2.6
1.3	1.5	1.6	2.1
10.0	9.4	10.0	10.0
1.0	1.0	1.0	1.0
1.5	1.5	1.5	1.0
17.4	16.6	16.6	16.6
21.7	22.5	21.9	21.9
1.1	1.1	1.6	2.1
3.0	3.0	2.8	2.9
7.1	7.1	7.1	7.1
<u>257.5</u>	<u>254.3</u>	<u>257.0</u>	<u>255.1</u>

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

Function/Program	2001	2002	2003	2004	2005
General government					
Municipal Court					
Criminal and Traffic Cases	18,026	19,247	16,163	13,666	16,072
Criminal and Traffic Trials	149	108	130	97	79
Criminal and Traffic Receipts (in 000's)	\$2,357	\$2,818	\$2,571	\$2,439	\$2,624
Civil/Small Claims Cases	1,464	1,543	2,156	1,810	1,983
Civil/Saml Claims Trials	752	721	1,013	851	835
Civil/Small Claims Receipts (in 000's)	\$388	\$454	\$541	\$610	\$578
Security of Persons and Property					
Police					
Calls for Service (1)	23,449	24,012	23,124	23,413	32,778
Parking Violations	1,675	1,299	1,132	995	1,141
Traffic Violations	4,030	4,227	4,085	2,509	2,515
Criminal Citations	2,954	2,616	2,798	3,018	2,817
Training Hours	5,497	5,149	4,507	4,091	3,441
Fire					
Emergency Responses	5,010	5,204	5,478	5,495	5,736
Inspections	1,590	1,590	1,503	1,121	1,141
Training Hours	N/A	N/A	5,425	7,730	12,518
Community Environment					
Planning and Development					
Residential Construction Permits Issued	1,145	1,500	1,442	1,383	1,195
Estimated Value of Residential Construction	\$12,677,065	\$18,200,034	\$18,296,213	\$17,011,265	\$14,832,301
Commercial Construction Permits Issued	536	398	393	352	474
Estimated value of Commercial Construction	\$16,754,423	\$6,978,147	\$15,197,647	\$15,651,854	\$17,083,481
Parks and Recreation					
Softball Registrations	N/A	68	70	90	95
Weekend Softball Tournaments	N/A	50	54	50	57
Water					
New Connections	92	158	145	145	102
Water Main Breaks	24	22	38	37	37
Average Daily Consumption (millions of gallons)	3.600	3.600	4.300	3.760	3.792
Peak Daily Consumption (millions of gallons)	N/A	N/A	N/A	N/A	N/A
Total Water Treated (millions of gallons)	1,249	1,481	1,559	1,375	1,384
Average Daily Treatment (millions of gallons)	4.0	4.0	4.2	3.8	3.8
Hydrants Flushed	1,361	1,386	1,411	1,448	1,457
Sewer					
Total Water Treated (millions of gallons)	1,481	1,493	1,537	1,448	1,555
Average Daily Treatment (millions of gallons)	4.1	4.1	4.2	4.0	4.3

Source: Various City Departments

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

2006	2007	2008	2009	2010
19,043	19,634	18,369	15,728	13,877
96	106	83	67	85
\$2,983	\$3,034	\$3,245	\$3,035	\$2,791
2,072	2,146	2,410	2,022	2,116
897	587	1,190	1,054	965
\$581	\$729	\$900	\$809	\$874
37,252	34,981	37,250	35,482	35,194
932	852	689	979	822
5,400	6,218	5,986	4,820	4,063
3,478	3,506	3,740	3,183	1,690
4,691	4,008	2,739	3,741	1,814
5,872	6,000	6,214	6,095	6,287
1,157	1,177	1,200	1,100	889
6,980	5,924	5,400	4,487	1,700
1,040	1,044	806	1,048	1,068
\$11,939,843	\$17,515,016	\$10,092,588	\$30,159,074	\$20,844,967
361	359	380	290	312
\$23,925,526	\$17,655,180	\$25,416,559	\$6,188,505	\$6,021,792
72	86	100	93	65
46	40	57	64	55
91	83	68	70	49
22	42	42	33	44
3,594	3,414	3,300	3,300	2,445
4,730	4,690	4,730	4,240	4,258
1,320	1,260	1,202	1,212	1,203
3.6	3.4	3.3	3.3	3.3
1,460	1,423	1,423	1,463	1,353
1,581	1,636	1,669	1,530	1,550
4.3	4.5	4.6	4.2	4.3

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

Function/Program	2001	2002	2003	2004	2005
Police					
Stations	1	1	1	1	1
Patrol units	31	31	31	33	31
Fire Stations	3	3	3	3	3
Public Works					
Area of City (square miles)	13.40	13.40	13.40	13.41	13.41
Streets (lane miles)	124.46	124.46	127.21	288.81	288.81
Streetlights	1,900	1,900	1,900	1,995	1,995
Parks and Recreation					
Number of Parks	15	16	17	18	19
Acreage	363.78	431.88	622.09	622.31	651.51
Playgrounds	16	16	16	18	18
Baseball/softball diamonds	17	17	17	17	15
Soccer/football fields	12	12	12	12	12
Number of Tennis Courts	14	14	14	14	14
Municipal Water Department					
Daily Treatment Capacity (millions of gallons)	4.60	4.60	4.60	5.00	5.00
Water Mains (miles)	142.00	142.00	144.34	145.95	147.69
Fire hydrants	1,361	1,386	1,411	1,448	1,457
Sewers					
Daily Treatment Capacity (millions of gallons)	5.50	5.50	6.00 (1)	6.00 (1)	6.00 (1)
Storm Sewers (miles)	102.29	102.29	105.58	109.09	109.71
Sanitary Sewers (miles)	129.13	129.13	131.76	133.84	135.24

Source: Various City Departments

(1) Information was corrected from prior years.

2006	2007	2008	2009	2010
1	1	1	1	1
31	30	30	30	30
3	4	4	4	4
13.41	13.41	13.41	13.40	13.41
293.10	294.20	294.94	294.94	296.13
2,342	2,495	2,512	2,512	2,506
19	19	19	20	20
686.61	686.57	686.57	714.30	715.00
18	17	17	18	18
15	15	15	15	15
12	12	12	12	12
14	14	14	14	14
5.00	5.40	5.40	5.40	5.40
148.56	149.37	149.78	149.78	149.93
1,460	1,457	1,470	1,477	1,412
6.00	6.00	6.00	6.00	6.00
110.66	111.57	112.32	112.32	113.16
135.78	136.50	136.20	136.50	137.52



City of Fairborn
Finance Department
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Fairborn OH 45324
Telephone: (937) 754-3005
www.ci.fairborn.oh.us



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Dave Yost • 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 15, 2011